

Milton R. Stimson, Brinkley.
 Charlie I. Grayson, Camden.
 Kay S. Rolley, Crawfordville.
 Edith M. Cook, De Valls Bluff.
 Robert M. Deason, El Dorado.
 William J. Rumsey, Hardy.
 Oliver A. Hill, Hartford.
 Ralph C. Lehman, Hoxie.
 Charles L. Jones, Junction City.
 George H. C. Palmer, McGehee.
 Dennis M. Townsend, Mena.
 Ethel Roberts, Mountain Pine.
 Harry L. Shambarger, Mulberry.
 Paul Smith, Nettleton.
 Roscoe J. Gammill, Ozark.
 Ned P. Atkin, Parkdale.
 James H. Ward, Quitman.
 Edress A. Casner, Rector.
 John J. Eckart, Subiaco.
 Nona E. Robertson, Thornton.

MARYLAND

Earle H. Ault, Accident.
 Nettie Fowler, Bowie.
 George G. Young, Cumberland.
 Leland T. Short, Denton.
 Thomas E. Brian, Ellicott City.
 Joseph J. Banz, Essex.
 Beatryce B. Bounds, Fruitland.
 William D. Wilkinson, Halethorpe.
 George W. Nichols, Hurlock.
 Jacob H. Reinhardt, Lansdowne.
 Louis E. Lamborn, McDonogh.
 Mary W. Stewart, Oxford.
 Robert H. Phillips, Salisbury.
 Turner B. Waters, Severna Park.
 Floyd R. Bennett, Sharptown.
 Herbert W. Mason, Snow Hill.
 Victor F. Cullen, State Sanatorium.
 William E. Tull, Stockton.
 George W. Stevens, Sudlersville.
 Howard R. Damuth, Thurmont.
 Philip E. Hunt, Waldorf.
 Harry M. Kimmey, Westminster.

NEVADA

Helen C. Thrasher, Gerlach.
 Harold E. Haviland, Winnemucca.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 11, 1932

The House met at 12 o'clock noon.

Rev. William A. Shelton, pastor of Mount Vernon Place Methodist Episcopal Church South, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, hallowed be Thy name. Let us hear that Thy Kingdom may come on earth as it is in heaven.

O Lord, give us feeling for one another; teach us how to love Thee with all our heart and our neighbor as ourselves.

O Lord, give us vision, that we have dominion over poverty and crime, sickness and death; and make our bodies strong and beautiful temples for the indwelling of Thy Holy Spirit.

Give us a holy taste for Thy bread and wine; teach us how to live, that we be brethren of one Father, every man a king in his own right, dwelling together in health, peace, and plenty, increasing our liberties with Thy justice and mercy; bless all those who are near and dear to us, our church and our state, our race and our religion, and every just man throughout the whole world; teach us how to serve and beautify the community in which we live; let us make it more useful for all men in our time, and for our children, when we have given it to them, and to the posterity of mankind.

O Lord, anoint us with fine incense and sweet perfume; make us better and better every day in every way; give us long, useful, and happy lives; and at last save us in heaven, for Christ's sake. Amen.

The Journal of the proceedings of Saturday, January 9, 1932, was read and approved.

THE TARIFF ON WHEAT

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. AMLIE. Mr. Speaker, on the 22d of last December, which was the day on which Congress recessed for the holidays, I and other Members of this body received a news release from the Secretary of Agriculture setting forth the benefits to the wheat growers of our present high protective tariff on wheat. It was perhaps rather significant that this release was sent out to Members of this body at a time when some of the majority leaders of the House were proposing thoroughgoing changes in the tariff law at this session of Congress.

The statement to which I refer is in the form of a news release and reads, in part, as follows:

Secretary of Agriculture Hyde to-day issued the following statement on the benefit of the tariff to American wheat growers: The relation between wheat prices in the United States and Canada during recent months is a striking indication of how the tariff benefits the United States wheat growers. Ever since midsummer the price of wheat at Minneapolis has been much above the price in United States dollars of similar quality wheat at Winnipeg. Thus—

And he then gives what are presumably representative comparisons between the wheat market at Minneapolis and at Winnipeg between No. 1 dark northern at Minneapolis and No. 3 Manitoba northern at Winnipeg, a comparable grade. This and several other specific comparisons of prices here and in Canada would lead to the assumption that the advantage to the American wheat farmer, as a result of our high protective tariff law, would be between 23.3 cents and 31 cents a bushel. If the general assumption which this article seeks to create is true, it is of the greatest significance, because on the 1931 wheat crop of 884,000,000 bushels it would mean a price advantage to the American wheat farmers of approximately a quarter of a billion dollars for that year alone.

I was quite amazed that this could be the situation, because it was wholly contrary to what I had assumed was true as to the effect of a protective tariff on wheat. I discussed the matter with one of my colleagues from a wheat State and found that Secretary Hyde's statement was accepted by him as correctly stating the facts of the matter.

While I am not from a wheat district, I at least was raised on a wheat farm in North Dakota and still have the farm on my hands. If what the Secretary of Agriculture says by inference in his news release of the 22d is true, then I should have owed the grain dealer money for taking my grain last fall but for the existence of our present tariff schedules. This did not seem to me at all reasonable. And, of course, in so far as I am concerned, there was the further fact that if the Secretary of Agriculture was right as to the effect of a tariff on a crop having an exportable surplus, then I was wrong on one of the major issues on which I based my campaign a few months ago.

WHEAT AND TARIFF

In determining the effectiveness of the present tariff of 42 cents per bushel upon wheat it is necessary to consider the wheat crop by classes particularly with reference to the protein content. The classes of wheat containing a high degree of protein are at a premium because the domestic demand is greater than the supply. The low protein-content wheat is on a definite export basis at all times, and, of course, can receive no benefit from a tariff. In fact about 25 per cent of the total wheat raised in this country is exported.

CLASSES OF WHEAT

1. Soft red winter wheat normally constitutes 30 per cent of the domestic production. This wheat is grown in the

Mississippi Valley and in eastern agricultural States. This wheat is on an export basis and receives virtually no benefit from the tariff.

2. Hard red winter wheat comprises normally 30 per cent of domestic production. This wheat is grown principally in Kansas, Nebraska, Oklahoma, Texas, and Colorado. This wheat occasionally benefits from the tariff in that premiums, which result from the protein element, are paid for certain portions of this wheat, especially in years of large crops when there is a scarcity of protein. Domestic millers then tend to bid up the price for that part of the hard winter wheat which runs high in protein. To date this has not been an important factor in the 1931 crop. That this is true is strikingly borne out by the closing prices of May wheat futures in the Kansas City market, as compared with the market at Winnipeg. From September 19 to December 26, 1931, the price was from 1 to 9 cents a bushel lower at Kansas City than at Winnipeg. These figures are on the basis of adjusting the Winnipeg prices by the depreciated Canadian dollar.

3. Likewise the growers of durum wheat, comprising approximately 6 per cent of the domestic production, receive no protection. Durum wheat is so definitely on the export basis that a tariff in normal years does not play any rôle. The drought in the spring-wheat area of 1931 has diminished its production to a point that extraordinary premiums have developed for this particular wheat. Amber durum wheat at Minneapolis has been selling at a price higher than any other grade of wheat. It probably is this year the highest wheat quoted in the domestic market. Even though a tariff did not prevail there would be no imports of this particular kind of wheat. Canada grows virtually no durum wheat.

4. White wheat of the Pacific Coast States, eastern Washington, Oregon, and northern Idaho usually totals 7 per cent of the domestic production. This region is forced to sell its wheat abroad, much of it to the Orient. It has not and can not benefit from the tariff. It is low in protein. The quotation by Secretary Hyde regarding hard-wheat prices at Seattle and Vancouver tends to mislead. There is no hard spring wheat raised on our Pacific coast. The point of competition between Canadian and United States hard spring wheat is at Buffalo.

5. The figures of Secretary Hyde relate wholly to hard spring wheat. This wheat is grown in North Dakota, Montana, Minnesota, South Dakota, and Nebraska. In normal years it amounts to about 24 per cent of the domestic production; this year about 6.4 per cent. This year there was raised 57,000,000 bushels of this wheat as against 200,000,000 bushels in normal years. This is the reason this wheat is at a premium and why the tariff is of some benefit this year to this 6.4 per cent of the total crop.

Some years the tariff is of no value even on this type of wheat, because we have more of it than we can use at home.

1931 domestic wheat production, as estimated by the United States Department of Agriculture

	Production in millions of bushels	Per cent of total crop
Total.....	884	100.0
Winter wheat.....	775	88.7
spring wheat (Minneapolis area).....	57	6.4
Other spring wheat.....	32	3.6
Durum wheat.....	20	2.3

During the period discussed by Secretary Hyde, from September 19 to December 26, 1931, the closing prices of May wheat futures ranged from 4 to 17 cents a bushel higher in Minneapolis than in Winnipeg, exchange allowed for. But for purpose of argument let us admit the Secretary's figures on hard spring wheat are correctly stated. They apply to less than 10 per cent of the total crop.

Instead, therefore, of a total benefit to the wheat farmers of around \$250,000,000, which impression the Secretary by his statement sought to create, the actual benefits are probably less than 10 per cent of that amount.

Since a tariff on wheat was established in 1922, the average effectiveness over a period of six years following has been 9.8 cents per bushel on one-half of the hard wheat, which is 26 per cent of our total production. This gives an annual average benefit of \$17,600,000. This benefit has been about 2 per cent of the total value of the crop. While the benefit to the hard spring wheat in 1931 may have been greater per bushel because of the great scarcity of the crop, nevertheless the average benefit to all wheat would in all probability be less than \$17,600,000 for the year, and probably less than 2 cents per bushel as an average on all wheat. This is a far cry from 23 cents to 31 cents per bushel, which impression the Secretary of Agriculture by his news release to Members of this House has sought to create.

I charge that the release of the Secretary of Agriculture, even though the figures which he uses may be true, was intended to deceive and mislead the Members of this Congress. By making a general statement and then using specific incidents to back up the general statement, the Secretary has sought to create the impression that the benefit to the wheat grower has been ten times as great as is actually the case.

The whole thing was designed and calculated to mislead and deceive, and this is precisely the effect which it has had. The fact that it was released in that particular form at a time when majority leaders were discussing tariff reform goes to prove that he was merely trying to line up the Representatives from wheat districts with the administration.

If the Secretary was merely making a factual presentation, he could have shown in less space that the average benefit to wheat was around 2 cents a bushel instead of from 23 to 31 cents a bushel on certain types in certain instances. Surely he should have been able to do it better than a Member of Congress since he is at the head of a statistical and fact-finding department which for this fiscal year will spend over \$215,000,000. I charge that the Secretary of Agriculture has shown himself to be without any sense of intellectual integrity or, if the term is not copyrighted, guilty of "abysmal ignorance."

In so far as this body is concerned, in this session of Congress the tariff is perhaps a closed incident. I have not gone into this matter for this reason. I have gone into it for a reason that is even more profound and far-reaching. I find myself as a new Member of this body in a peculiarly helpless position. I am called upon as a legislator to pass upon matters the facts pertaining to which I am obliged to take from the chiefs of the various executive departments. Perhaps no session of this body will be called to legislate upon matters where we must depend so wholly upon the factual presentation of the executive departments. Not long ago we voted on the moratorium. In analyzing the facts upon which I based my decision I found that virtually all of them came from the Treasury Department. I believe that I had a right to rely on those figures.

During the rest of this week we will be called upon to act without delay upon a \$500,000,000 authorization for an appropriation to stabilize and hospitalize our credit structure. In this matter we will be dependent almost wholly upon facts given us by the executive branch of the Government. Of necessity we must have some confidence in the integrity of the various executive departments. When I discussed Secretary Hyde's release with several colleagues from wheat States, I was struck by the naïve manner in which the Secretary's statement was accepted. These men assumed that the statement of from 23 cents to 31 cents a bushel on wheat perhaps represented a fair picture. This would have meant an advantage to the wheat farmers of approximately one-quarter of a billion dollars. Actually the benefit is less than 10 per cent of that amount. Now, when I use the term "naïve," I do not wish to belittle any of my colleagues. On the other hand, I believe that the situation is quite a wholesome one. It shows that the Members of this body still have confidence in the executive departments. But surely that confidence can not long exist if we have further repetitions of the sort of thing that I have just discussed.

In the Senate debates last week I heard the conservative Senators berating the progressives and Democrats for hold-

ing up the President's relief program. In this they have been backed by the reactionary press of the country, although it is less than a year ago since the same press was demanding that Congress adjourn and give business a chance to take care of things.

It has taken me several weeks to make the analysis which I have made of Secretary Hyde's statement. If factual statements that we will receive must be analyzed in the same manner, this body certainly can not be blamed for taking its time before making a decision. Certainly at least the head of one of our great departments has put himself with that class of men which a client of mine once described as "truthful men but silent liars."

DISARMAMENT CONFERENCE AT GENEVA, 1932

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 163, to provide an appropriation for expenses of participation by the United States in a United States disarmament conference to be held in Geneva in 1932. This provides for an authorization of \$450,000.

The SPEAKER. The gentleman from Maryland asks unanimous consent for the present consideration of a joint resolution, which the Clerk will report by title.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, this is a most important matter. It is asking for nearly half a million dollars for the expenses of the United States delegates to this conference. We ought to take some time on it. I am for "disarmament of nations" just as earnestly and strongly as any Member of this Congress, but there are other questions just as vital and serious also involved in this measure. I shall want some time on it in which to explain some matters connected with it.

Mr. LINTHICUM. We will give the gentleman time.

Mr. BLANTON. Could the gentleman arrange to let me have 20 minutes?

Mr. LINTHICUM. Mr. Speaker, I shall couple with that request the further request, if unanimous consent be granted, that we be allowed 40 minutes for the discussion of the joint resolution, 20 minutes to be controlled by myself and 20 minutes to be controlled by some one objecting to it.

Mr. BLANTON. I shall want 20 minutes myself.

Mr. BYRNS. Mr. Speaker, I have not had an opportunity to read the resolution. Does this provide for an authorization or an appropriation?

Mr. LINTHICUM. An authorization. It will be controlled by the members of the Committee on Appropriations, of which the gentleman from Tennessee [Mr. BYRNS] is the distinguished chairman. Mr. Wood across the aisle, former chairman, and our good friend the gentleman from Texas [Mr. BLANTON] are on that committee also.

Mr. BLANTON. But when passed it would be a mandate to that committee to bring in a bill for nearly half a million dollars.

Mr. LINTHICUM. I have never known the Appropriations Committee to consider it as a mandate.

Mr. BYRNS. Does the gentleman consider it a mandate?

Mr. LINTHICUM. I do, but I notice that the Committee on Appropriations does not.

Mr. CLARKE of New York. Mr. Speaker, I reserve the right to object in order to propound a question to the gentleman from Maryland. How many delegates are supposed to be going to the conference?

Mr. LINTHICUM. Five; with the entire personnel it will be 45 in number.

Mr. CLARKE of New York. Why is it necessary to appropriate \$500,000?

Mr. LINTHICUM. I shall go into that with the gentleman. This is far less in proportion than any other commission we have ever had.

Mr. CLARKE of New York. That is an alibi, not an explanation.

Mr. BLANTON. Mr. Speaker, for the present I object. Before we authorize this \$450,000 appropriation we must be given proper time to discuss and amend it.

Mr. BYRNS. Mr. Speaker, there has been some disposition to criticize the Congress for not enacting this important legislation that is coming before the House to-day. I do not agree with that criticism; far from it; but I think under the circumstances, since the Committee on Appropriations could not possibly consider the appropriation under this resolution for some time, it ought to be deferred until the finance reconstruction measure is considered, and I am constrained to object for that reason.

The SPEAKER. The Chair agreed to recognize the gentleman from Maryland for the purpose of asking this unanimous consent, but with the distinct understanding that it would take but a few minutes to consider and pass it; otherwise the Chair thought we ought to go on with the regular order of the day—the consideration of the reconstruction measure. The colloquy thus far has indicated that there is to be considerable debate, not only in general debate but under the 5-minute rule, on this resolution. The Chair takes the responsibility of suggesting to the gentleman from Maryland that he withdraw the matter temporarily.

Mr. DYER. And may I suggest to the gentleman that he better get some arrangement by which there will be a full opportunity for debate; otherwise there can be no unanimous consent if it is going to involve the House in debate.

Mr. STEAGALL. Mr. Speaker, my responsibility is such in this situation that I am forced to object to the consideration of this joint resolution.

The SPEAKER. Objection is heard.

THE MORATORIUM

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks on the moratorium resolution passed by the House a few days ago.

The SPEAKER. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, under leave to extend my remarks on the Hoover moratorium, House Joint Resolution 147, that passed the House some days ago, I propose to give some reasons why I would have voted against the passage of the resolution had I been present. However, my vote would not have changed the result, because the resolution was passed by an overwhelming majority.

The resolution was introduced at the request of the President to carry out his proposal to give to foreign countries 12 months' extension on their obligations due the United States. Millions of American farmers have been begging for relief since 1920; especially, at this time, for a moratorium on their land-mortgage obligations, which they find themselves unable to pay because of the serious economic situation that now exists. Farmers are making this request not because they have failed to produce abundant crops but because of the small income received for their farm products that are now selling below the actual cost of production.

For the past few years thousands of farmers have been sold out lock, stock, and barrel—in many instances the old home place that has been handed down for generations. This has happened to some of the most intelligent, hard-working, and industrious farmers in my district, men who have always been able to pay their obligations, educate their children, and enjoy some of the luxuries of life. This type of farmer, because of his intelligence and the deplorable financial condition that he finds himself in, realizes that there is something radically wrong and that he is not getting a square deal at the hands of his Government.

I used to do a very large supply business and came in close touch with the people in the community with whom I did business. I want to tell you that it grieves my heart to see farmers in that section of South Carolina who a few years ago were prosperous and their obligations worth 100 per cent on the dollar and who today are losing their farms, moving into tenant homes, with their children growing up without the proper educational opportunities. In the meantime fathers and mothers are going to an untimely grave because of actual worry.

The sad story about this situation is that I find much propaganda going out from the White House and much

speech making on the floor of the House about relief for this class of people. Yet we find the President and the Congress working overtime suggesting and passing measures solely in the interest of those who, I believe, are largely responsible for this serious economic situation. We have read in history about droughts, floods, and famines, but to my mind it will be startling news when the next generation is privileged to read about the present situation, wherein we find 10,000,000 of American citizens denied the right to labor for an honest living and thousands of farmers being sold out of their homes while we are stifling with the largest surplus feed, food, and wearing apparel ever stored in the warehouses in the history of this Republic.

When the Congress passed upon the debt settlements of foreign countries, it was stated at the time that the settlement was based on the capacity of these countries to pay.

We loaned them \$11,552,354,000. These loans were to be repaid at the same rate of interest we were forced to give

to secure the money. Of this every assurance was given. The rate then was $4\frac{1}{4}$ per cent per annum. In adjusting these foreign settlements, we lost \$10,705,618,006.90.

I am appending a table, prepared in 1929 by the Treasury Department through the courtesy and at the request of Congressman Theodore E. Burton, who was then a member of the Debt Funding Commission, and is therefore official and authoritative.

This official table prepared by the Treasury Department shows (1) the countries with which settlements have been made, (2) the date of agreement, (3) the amount of debt funded, (4) interest to be received, (5) total amount to be received, (6) the amount that would have been received on a British basis ($3\frac{3}{4}$ per cent interest), (7) total amount that would have been received on a $4\frac{1}{4}$ per cent interest basis, (8) total amount canceled on a $4\frac{1}{4}$ per cent interest basis, and (9) total aggregate amount, being \$10,705,618,006.90, canceled, lost, or remitted in all of the settlements:

Countries	Date of agreement	Funded principal	Interest to be received	Total	Total that would be received on British basis ($3\frac{3}{4}$ per cent interest basis)	Total that would be received on $4\frac{1}{4}$ per cent interest basis	Total canceled on a $4\frac{1}{4}$ per cent interest basis
Belgium.....	Aug. 18, 1925	\$417,780,000.00	\$310,060,500.00	\$727,830,500.00	\$1,041,597,000.00	\$1,191,052,000.00	\$463,221,500.00
Czechoslovakia.....	Oct. 13, 1925	115,000,000.00	¹ 197,811,433.88	312,811,433.88	252,890,000.00	327,854,000.00	15,042,566.12
Estonia.....	Oct. 28, 1925	13,830,000.00	19,501,140.00	33,331,140.00	¹ 33,331,000.00	39,428,000.00	6,096,860.00
Finland.....	May 1, 1923	9,000,000.00	12,695,055.00	21,695,055.00	¹ 21,695,000.00	25,658,000.00	3,962,945.00
France.....	Apr. 29, 1926	4,025,000,000.00	2,822,674,104.17	6,847,674,104.17	9,708,825,000.00	11,474,900,000.00	4,627,225,895.83
Great Britain.....	June 19, 1923	4,600,000,000.00	6,505,965,000.00	11,105,965,000.00	¹ 11,105,965,000.00	13,114,172,000.00	2,008,207,000.00
Hungary.....	Apr. 25, 1924	1,939,000.00	2,754,240.00	4,693,240.00	¹ 4,693,000.00	5,538,000.00	834,760.00
Italy.....	Nov. 14, 1925	2,042,000,000.00	365,677,500.00	2,407,677,500.00	4,923,820,000.00	5,821,552,000.00	3,413,874,500.00
Latvia.....	Sept. 24, 1925	5,775,000.00	8,183,635.00	13,958,635.00	¹ 13,959,000.00	16,464,000.00	2,505,365.00
Lithuania.....	Sept. 22, 1924	6,030,000.00	8,501,940.00	14,531,940.00	¹ 14,532,000.00	17,191,000.00	2,659,060.00
Poland.....	Nov. 14, 1924	178,560,000.00	257,127,550.00	435,687,550.00	¹ 435,688,000.00	509,058,000.00	73,370,450.00
Rumania.....	Dec. 4, 1925	44,590,000.00	¹ 77,916,260.00	122,506,260.00	¹ 107,488,000.00	127,122,000.00	4,615,739.95
Yugoslavia.....	May 3, 1926	62,850,000.00	32,327,635.00	95,177,635.00	154,651,000.00	179,179,000.00	84,001,365.00
Total.....		11,522,354,000.00	10,621,185,993.10	22,143,539,993.10	27,819,134,000.00	32,849,158,000.00	10,705,618,006.90

¹ Settlement made on British basis.

This table is official. The figures prepared by the Treasury Department can not be disputed. We lose, cancel, forgive, or remit on the settlements with the 13 countries, based on $4\frac{1}{4}$ per cent interest, the amount we pay on our Liberty bonds, the proceeds from which we loan these governments, \$10,705,618,006.90.

It is true the resolution passed with an amendment placed thereon by Mr. RAGON, member of the Ways and Means Committee, before the bill was reported to the House, that would indicate the passage of this resolution would in no way commit the Congress to the complete cancellation of foreign debts. This is more or less a joke, because we all know that the passage of this resolution is an opening wedge for the complete cancellation of these obligations. Why, even before the final passage of this resolution the President was urging Congress to take up further revisions of foreign debts for consideration. Since the passage of this resolution I have been keeping up with the hearings before a Senate committee with a number of the international bankers testifying as to the amount of loans made by their institutions to various foreign countries and the floating of millions of foreign bonds, under high-pressure salesmanship, by these same institutions to the investing public of America with enormous profits on every transaction. Their statements indicate that immediately after the war these international bankers, instead of giving proper attention to agriculture through State and National banks and to American industry, turned their whole attention for selfish purposes to Europe. They made large blocks of loans to these foreign countries and bought up millions of foreign bonds, selling same to State and national banks and to the innocent investing public, making millions of profits and leaving these innocent investors with the bag to hold.

These international bankers are very shrewd—not only did they make the Government become morally obligated to them in making these loans, as will be shown by the statement of Mr. Lamont, member of the firm of J. P. Morgan & Co., in testifying before the Senate committee, but they were able to use the names of Presidents Coolidge and Hoover very

successfully in what was known as the Coolidge and Hoover stock-market boom, wherein prices of bonds and stocks were inflated to the highest price record in the history of this country and unloaded on the investing public. One of the best banks in my home town happened to be one of these innocent investors. They bought some \$200,000 worth of foreign bonds, largely German bonds, which became so depreciated in value that it had to close its doors with quite a loss to hundreds of innocent depositors.

I want to quote from Mr. Lamont's statement in testifying before the Senate committee in reply to a question by Senator WALSH, as follows:

Were the contracts for these foreign loans submitted to (our Government) the State Department for approval?

Mr. Lamont, replying, said:

President Harding in 1920 asked the banking (international bankers) houses to inform the State Department of such arrangements and to have the privilege of intervening.

Senator COUZENS. Did the Department of State give an affirmative in such cases?

Mr. LAMONT. The usual procedure was for the department to send a letter saying it had no objection.

Certainly the President and the Department of State under the President, understood in 1921—since that time even up to date as I understand the department has been giving the same usual answer all along—the serious financial plight these foreign countries were in and that they owed billions of dollars to our Government. It would have been much better and more businesslike on the part of the President, through the State Department, to have told these banking houses that they had better go slow and that our Government holds billions of claims that would have to be paid regardless of their loans.

International bankers appearing and testifying before the Senate committee clearly indicate that they are not so deeply concerned about the moratorium on foreign debts to our Government because of their holdings against these countries as will be shown by the following questions and answers thereto:

Mr. LAMONT. The large banks of the country are not loaded up with these bonds to the extent the people would believe.

Senator GORE. It is Tom, Dick, and Harry who have taken them. Mr. LAMONT. It is true that upon the great investing public has fallen the blunt of the declines in these bonds and not upon [international] banks.

Mr. Lamont was asked if he thought the public is unduly exercised over the German bond situation and he stated:

I would say it is.

It is my belief that these international bankers are more interested in the President's moratorium and the final cancellation of foreign obligations to our Government for the sole purpose of being able to place these foreign countries in a position to take advantage of the depressed condition existing in this country and the depreciated values of foreign bonds now in the hands of the investing public, so as to be able to buy up these bonds for these foreign countries, making additional millions at the expense of the investing public that is now sacrificing these bonds. This is borne out by the testimony given before the Senate committee, wherein these bankers stated that a number of these foreign countries were calling and paying off lots of these obligations even before they were due because they were able to buy them at large discounts. Our people bought Liberty bonds and war-saving stamps until it hurt to enable our Government to make loans to our allied nations and for the purpose of successfully carrying on the war with Germany. Yet these same innocent banks and individuals who bought war-saving stamps and Liberty bonds were caught in the depression of 1921, put on by these same international bankers in conjunction with the Federal reserve system, wherein they were able to force the sales of these bonds at a price ranging from 75 to 85 cents on the dollar, again leaving the innocent investing public with the bag to hold.

Listen to what Mr. Kahn had to say to the Senate committee:

These securities in principle are all passed on to the investing public. The international banker is a merchant. He buys securities and sells them to the public. If he locks himself up with his own goods, he will very soon find himself locked up.

According to the various statements made by these international bankers, it appears that it is perfectly all right if they can pass on their securities in such manner that it will lock up the investing public and in the meantime have our Government grant a moratorium on foreign obligations due our Government, which will place them in a position not only to float additional loans with foreign countries but will enable them to rob the investing public of these securities, already passed on, at a discount anywhere from 25 cents to 75 cents on the dollar.

My friends, if you are at all interested in stopping these high-handed practices on the part of these international bankers, you will agree with me that it is high time we realize the first rights of this country are human rights—the rights of its approximately 120,000,000 people must be protected and preserved if this great Government, founded by the fathers, wherein it was intended that each section and each individual should have equal rights or opportunities, is to endure.

The sum total paid up by these foreign countries last year was \$240,000,000. This year they were to pay us \$246,000,000, about half of the interest we must pay; but the proposed moratorium will shift this \$246,000,000 to the taxpayers of the United States.

You may ask: But could these European nations pay?

Last year these debtor nations spent some \$1,600,000,000 on armaments, or about \$430,000,000 more than was expended annually before the war. In the next instance almost invariably the American investors' money placed in European corporate issues was used to modernize, strengthen, or otherwise improve the competitive position of foreign corporations. In some instances the American capital provided the wherewithal to build new plants in foreign lands.

When the bill authorizing \$100,000,000 for Federal land banks solely in the interest of the owners of land-bank bonds was up for consideration in the House, various Members, including myself, tried to write into the bill a moratorium

clause for farmers who are unable to pay their installment due the land banks, but every amendment was promptly voted down. It plainly shows, so far as I am concerned, that these international bankers, as well as the administration that is now in power, are more interested in the welfare of Europe than they are in the millions of unemployed and broke farmers in the United States.

Why is this true? Listen to the statement issued some days ago by the Department of Commerce:

Real-estate agents of foreign countries are receiving a great many inquiries for factory sites from American manufacturers.

The London Chamber of Commerce, it is reported, received so many inquiries for such sites that it appealed to town clerks and development committees to forward particulars of suitable properties in their areas. It would be interesting for you to call upon the Department of Commerce for a list of investments by American industries who have already invested and built industrial plants or branch plants in foreign countries.

Following this statement, I would have a wonderful opportunity to discuss what the tariff bills of 1922-1930 have been and are doing in the way of helping American industries to locate in foreign countries. According to the following statement, issued by the Federal Reserve Board some few days ago, it appears to me that it is getting high time that these international bankers and this administration give some thought to constructive legislation for the relief of our own people.

MANY OCTOBER BANK FAILURES

An all-time record for bank failures was made in October, when 512 institutions, with deposits of more than a half billion dollars, closed their doors.

For the 10 months of this year total suspensions were 1,753, with deposits of \$1,461,852,000.

The Federal Reserve Board, which reports these fatalities, says that conditions were better during November and that the indications are that most of the weak banks have been weeded out.

Not only are the investing public and farmers made the goat in having to hold the bag, having been caught with millions of dollars' worth of heavily deflated foreign bonds, but they are the losers of billions of dollars' worth of deposits caught in these closed banks—mind you, these are not the large banks represented by international bankers. You will note the Federal Reserve Board stated that the weak banks have been weeded out.

The position that I took against the \$100,000,000 Federal land bank relief bill as passed by the House and that I am taking now against the moratorium resolution I am sure is in line with the views of my people. We have in South Carolina what is known as the Farmers' and Taxpayers' League, which is growing in numbers very fast. Since the passage of the Federal land bank bill the following statement was issued by its president:

Extension of relief by the Federal land bank to farmer debtors under the land bank bill should be made mandatory. Without amendments the bill is useless and will benefit mainly holders of bonds and speculators who might buy them for a rise on the strength of the passage of the bill. The bill leaves a moratorium for the land-bank debts to the discretion of land-bank officials who have shown a ruthless attitude toward foreclosures.

I was in hope when the Democrats took control of the lower branch of Congress that they would immediately commence to pass legislation in the interest of the masses instead of rushing through the President's program outlined by and for special interests. It is my belief that unless we pass or offer for passage a bill giving direct relief to agriculture, independent business, and labor that we will not be able to get very far with promises in 1932. Farmers are sadly in need of the proper functioning of the intermediate credit banks so as to furnish to them production credits. They need their purchasing power restored by establishing an up-to-date marketing and distributing system whereby they will be able to secure fair prices for that which they produce.

Millions of unemployed must be put to work at a fair wage, thereby restoring the purchasing power to these people. Yet I find the administration and the Congress working overtime giving a moratorium to Europe, placing the

burden of these obligations on the taxpayer of the United States, and ruthless voting millions for special interests.

I have a bill pending before Congress proposing to transfer the activities of the Federal Land Bank Board as it relates to the intermediate credit bank to the Department of Agriculture and authorizing a revolving fund of \$20,000,000 to set up production credit corporations for farmers, as well as several other constructive bills that I expect to discuss at a later date. In the meantime I find the departments as well as Members of Congress who should be deeply concerned about this type of legislation seemingly uninterested.

Greed on the part of these international bankers as well as other large monopolistic corporations for the past 10 years has developed the erroneous idea that the masses have little excuse for living except in so far as they can serve business, whereas business should learn that it properly is the servant and not the master of the people and that the welfare of the people should come first and profits, if any, later.

In closing may I state that, so far as I am concerned, I expect to strive for the consideration and passage of constructive legislation in the interest of the people, and in the meantime vote against all legislation formulated by and directly in the interest of special interests.

SESSIONS OF COMMITTEE ON MILITARY AFFAIRS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs be permitted to sit during the sessions of the House for this present week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. STAFFORD. Reserving the right to object, do I understand that it is merely for this week? We had the privilege to sit for a week from last Tuesday. I understand this request is merely for this week?

Mr. RAINEY. It is merely for this week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISARMAMENT CONFERENCE

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, ladies and gentlemen of the House, it was my purpose in calling up this resolution to-day to provide funds for this delegation and its personnel to attend this convention. The convention meets on the 2d day of February, next month. It had been arranged for the delegates to leave here one week from to-day, and it was my hope that we might get this authorization passed so that it could get through the Senate, and that an appropriation might be agreed upon and inserted in the present deficiency appropriation bill which is now pending before the Senate.

We have pledged ourselves to attend this conference. We have accepted the invitation and they are expecting us there on the 2d of February. The membership of the House can judge just how much time it will take to get this through unless it can be considered at an early date. I do not want to push myself upon the House in preference to other business, but I feel, and I believe the country feels, that this general disarmament conference is just as important as some of the legislation which it is endeavored to pass here.

Mr. DYER. Will the gentleman yield?

Mr. LINTHICUM. Certainly.

Mr. DYER. I, as one Member, do not have very much confidence in anything that will be done at this conference. I have seen the League of Nations fall down; I have seen the Kellogg pact fall down; and nothing has been accomplished to prevent war in China by either of those organizations, and I do not believe we are going to accomplish anything in Europe on reparations; and I feel it will be a waste of money to appropriate a single dollar.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. LINTHICUM. I yield.

Mr. LA GUARDIA. We have seen the Ten Commandments fall down, but we have not given up hope yet.

Mr. DYER. That is another matter; but this is a very great waste of money and we will not accomplish anything.

Mr. LINTHICUM. We have accepted this invitation. We can not go back on our acceptance.

Mr. DYER. Well, I have not accepted it.

Mr. LINTHICUM. The gentleman has not, personally, but his representatives have accepted it. Certainly Congress does not want to fall down on a proposition like this.

Mr. BLANTON. Will the gentleman yield?

Mr. LINTHICUM. Certainly.

Mr. BLANTON. The gentleman knows there have been six preliminary conferences already, and each one of them has been called by the League of Nations. This particular conference has been called by the League of Nations. This is an invitation from the League of Nations, which is not recognized by our Government. Our Government has not a voice in the League of Nations, and until we have some standing in it we ought not to sit in its conferences.

Mr. LINTHICUM. I ask the gentleman not to take up all of my time.

Mr. BLANTON. When the time comes I wish to be permitted to be heard on the extravagance and the possible serious involvement of this \$450,000 appropriation.

The SPEAKER. The time of the gentleman from Maryland has expired.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LINTHICUM. I desire to say to the gentleman from Texas [Mr. BLANTON] that the United States has participated in all six of the conferences which the gentleman mentioned, which conferences led up to this general disarmament conference. While the League of Nations issued this invitation, it did not issue it alone to members of the League of Nations. It issued it to all the nations of the world—some 63 in number, including Russia and every other country, whether they were members of the league or not.

Mr. TEMPLE. Will the gentleman yield?

Mr. LINTHICUM. Certainly.

Mr. TEMPLE. I would like to say that if this conference for the limitation of armaments fails, as the gentleman from Missouri [Mr. DYER] thinks it will fail, the United States ought not be in a position of having that failure laid upon us. It is worth \$450,000 to avoid that blame.

Mr. LINTHICUM. May I say in addition, as a background for this legislation and the participation of our Government in this conference, that participation in all efforts looking toward a limitation or reduction of armaments is in accord with traditional American policy and that participation in this particular conference is dictated both by our own interests and by the moral responsibility for positions we have heretofore assumed.

Let us look very briefly at the American policy during the past 25 years. It has been singularly consistent and unwavering in favor of all constructive efforts toward lessening the burden of competitive armaments in the world.

In 1906 Mr. Root, in answering the note of the Russian ambassador, suggesting the outline of the program of the second peace conference at The Hague, said:

The Government of the United States therefore feels it to be its duty to reserve for itself the liberty to propose to the second peace conference as one of the subjects of consideration the reduction or limitation of armaments.

At the second conference at The Hague, although considerable progress was made in provision for the peaceful settlement of controversies, only a mild resolution was passed with respect to lowering of armaments to the effect that "it is eminently desirable that the governments should assume the serious examination of this question." The dangers inherent to a race in preparation of armaments were thus

perceived before the war, but nothing constructive was accomplished to prevent it. Finally the great war resulted with the loss of millions of lives and untold treasure. Throughout its course men buoyed their spirits with the slogan that "it was a war to end war." The lesson that it was futile to seek to avoid hostilities by competing with one's neighbors by building up a vast machinery of warfare seemed learned. The failure of The Hague conference to check the race in armaments was viewed as the bankruptcy of pre-war diplomacy.

Yet within three years of Armistice Day, in 1918, a new race in armaments was under way, and it should be an unceasing source of pride that it was the United States which first took the initiative in breaking the endless chain of naval competition. In his opening speech at the Washington conference the Secretary of State, Mr. Hughes, spoke as follows:

But if we are warned by the inadequacy of earlier endeavors for the limitation of armament, we can not fail to recognize the extraordinary opportunity now presented. We not only have the lesson of the past to guide us, not only do we have the reaction from the disillusioning experiences of war, but we must meet the challenge of imperative economic demand. What was convenient or highly desirable before is now a matter of vital necessity. If there is to be economic rehabilitation, if the longings for reasonable progress are not to be denied, if we are to be spared the uprisings of peoples made desperate in the desire to shake off burdens no longer endurable, competition in armaments must stop.

The Washington conference concerned itself primarily with the most pressing and most tangible object of limiting and reducing naval armaments. Unfortunately, its work turned out not to be complete. By limiting the larger types of ships it was hoped that all competitive building would cease. A new building race, however, began in the unlimited naval categories, and only following the abortive Geneva Naval Conference of 1927 was this problem finally solved at the London Naval Conference of 1930.

Naval armaments, however, constitute but one phase of armaments. The solution of the problem of land and air armaments has not advanced as far as that of naval armaments.

The treaty of peace signed at Versailles in 1919 contains two references to armaments.

The first is found in article 8 and reads:

The members of the league recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

The council taking account of the geographical situation and circumstances of each state, shall formulate plans for such reduction for the consideration of the several governments. Such plans shall be subject to reconsideration and revision at least every 10 years.

The second is found in the following preamble to Part V of that treaty, entitled "Military, Naval, and Air Clauses":

In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval, and air clauses which follow.

In his covering letter presenting the treaty to the German delegates, M. Clemenceau wrote as follows:

The allied and associated powers wish to make it clear that their requirements in regard to German armaments were not made solely with the object of rendering it impossible for Germany to resume her policy of military aggression. They are also the first steps toward that general reduction and limitation of armaments which they seek to bring about as one of the most fruitful preventatives of war, and which it will be one of the first duties of the League of Nations to promote.

They must point out, however, that the colossal growth in armaments of the last few decades was forced upon the nations of Europe by Germany. As Germany increased her power, her neighbors had to follow suit unless they were to become impotent to resist German dictation or the German sword. It is therefore right, as it is necessary that the process of limitation of armaments should begin with the nation which has been responsible for their expansion. It is not until the aggressor has led the way that the attacked can safely afford to follow suit.

The efforts on behalf of disarmament made since that date by the members of the League of Nations have received the sympathetic approval of the American Government.

After a few early and ineffectual efforts on the part of subsidiary league organs, such as the Permanent Advisory Committee for Military, Naval, and Air Questions, The Temporary Mixed Committee, The Coordination Commission, and so forth, the league assembly of 1925 adopted a resolution as a result of which the Preparatory Commission for the Disarmament Conference was set up in order to prepare the way for the holding of the General Disarmament Conference which was to meet by virtue of the provisions of the treaty above cited. The American Government was invited to participate in the Preparatory Disarmament Commission and gladly accepted the invitation. The reasons permitting this acceptance were stated by the President in his message to the Congress on January 4 in the following terms:

The general policy of this Government in favor of disarmament and limitation of armament can not be emphasized too frequently or too strongly. In accordance with that policy, any measure having a reasonable tendency to bring about these results should receive our sympathy and support. The conviction that competitive armaments constitute a powerful factor in the promotion of war is more widely and justifiably held than ever before, and the necessity of lifting the burden of taxation from the peoples of the world by limiting armaments is becoming daily more imperative.

The preparatory commission held six sessions lasting from May, 1926, to December, 1930. In all of these sessions the United States Government took an active and helpful part. The preparatory commission succeeded in drawing up a draft convention setting forth the principles upon which the governments represented were able to agree and the methods by which it was felt the general conference could succeed in bringing about actual reduction and limitation. It is, therefore, merely a framework containing as yet no quantitative factors. The task of the general disarmament conference will be to adjust these principles to reality and to give life to the convention by the insertion of appropriate figures.

In our conferences with the other nations in the preparatory commission we have constant indications that we would continue to cooperate when the negotiations on method gave way to the negotiations on actual figures. Thus, in his message to Congress of January 4 recommending the appropriation of funds for participation in the work of the preparatory commission, President Coolidge pointed out that the purpose of this commission was "to make preparations for a conference on disarmament, which it is the announced purpose of the council to call at an early date." Similarly our delegates to the preparatory conference have consistently assumed our participation in the general conference. In his concluding statement at the last session of the preparatory conference the American delegate spoke as follows:

I hope that, in separating at the conclusion of our labors, we shall not yield to the temptation to indulge in mutual congratulations that we may separate with becoming modesty and, on reporting to our various governments, that we do so with a full and frank recognition of the shortcomings of our present draft and of the duties and responsibilities still before our governments to lead the general disarmament conference to the success which our peoples so earnestly desire.

We are now preparing to enter the general disarmament conference. May I emphasize the importance of the word "general"; that is, universal. It is the first time that an effort has been made by all of the nations of the world freely to reach an agreement that would determine and stabilize their relative positions in armament. It is virtually impossible to estimate with any degree of assurance what may be the concrete achievements of the conference. So many differing and conflicting proposals are likely to be advanced that it would be vain to venture a prediction as to which ones of these or which combination or compromise plan are destined finally to emerge. But if any plan that is generally acceptable emerges from the conference, it would fulfill four purposes which would immediately redound to our advantage. First, it would put an end to the existing race in armaments. Second, it would thus remove an important element of international distrust and fear. Third, it would relieve the present crushing burden of nonconstructive expenditure. Fourth, it would lay the foundations for future

disarmament agreements—just as the Washington naval treaty was the precursor of the London treaty.

Such negotiations, however, will be not only arduous but long drawn out. It must be remembered that 63 states have been invited to participate and we are not aware of any nation having declined representation. In many ways it will probably be one of the most complex conferences in history. The estimate of its duration, from seven to eight months, seems conservative. In this we are borne out by the estimates independently reached by other nations and by the responsible officials of the permanent secretariat of the League of Nations. We should not forget that the London Naval Conference, during which five powers were negotiating on one phase of armaments alone, lasted three months.

May I, before closing, give you a few statistics in comparative costs between the sum asked for—namely, \$450,000, or approximately \$55,000 a month—and certain items of national defense. It must be remembered that of this \$450,000, \$99,167 is allocated to cover our pro rata share of the special league budget for the expenses of the general secretariat of the conference for a period of seven months. Thus only \$350,000 is the direct cost of maintaining the delegation in Geneva, with its expenditures for personnel, travel, equipment, office space, telegraph and telephonic communication, and so forth.

As well stated by Assistant Secretary Rogers in the hearings, the \$450,000 is approximately the cost of the annual maintenance and operation of one submarine, estimated at \$436,363; about one-third of the annual maintenance and operation cost of a 10,000-ton cruiser, \$1,250,000; or about one-fifth of the annual maintenance and operation cost of a capital ship, \$2,200,000.

With relation to construction costs, \$450,000 represents approximately three-fourths of the cost of one 16-inch coast-defense gun, unmounted—\$575,000; less than one-fifth of the cost of construction of a 600-ton submarine; about one-fortieth of the construction of a 10,000-ton 8-inch-gun cruiser; or slightly over 1 per cent of the cost of a 35,000-ton capital ship.

Taking the total national-defense expenditures of the United States for 1930—\$702,845,415—we find that the cost of sending the delegation is the equivalent of only six one-hundredths of 1 per cent of that sum, or the equivalent of maintaining the Army and Navy for six hours.

The United States has never yet failed to take its full part in efforts designed for the common good of mankind. It would, therefore, seem that participation in the coming general disarmament conference would be in line with our traditional policy, and would be a necessary contribution toward the goal which the entire world desires.

We can not afford to fall down on this matter; it is primarily our work, and our guidance is sorely needed.

RELIEF OF NELLIE FRANCIS

Mr. DE PRIEST. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DE PRIEST. Mr. Speaker and my fellow colleagues, I ask unanimous consent that the bill (H. R. 3899) for the relief of Nellie Francis, which is now before the Committee on Claims, be transferred to the Committee on Foreign Affairs of the House. This bill was before the Committee on Foreign Affairs in the Senate last year and was passed. I have spoken to the chairman of the Committee on Claims, and he has agreed that this might be transferred to the Committee on Foreign Affairs of the House. I would like to ask the chairman of that committee [Mr. LINTHICUM] if he will accept it?

Mr. UNDERHILL. Mr. Speaker, I will not stand for bills being sent from the Committee on Claims to any other committee. I object.

The SPEAKER. Objection is heard.

DISARMAMENT CONFERENCE

Mrs. OWEN. Mr. Speaker, I ask unanimous consent to address the House for five minutes on the subject of the resolution proposed by the gentleman from Maryland.

The SPEAKER. Is there objection to the request of the lady from Florida?

Mr. STEAGALL. Mr. Speaker, reserving the right to object, I shall not interpose any objection in this instance, but hereafter I shall have to object. I am glad not to object in this case.

The SPEAKER. Is there objection?

There was no objection.

Mrs. OWEN. Mr. Speaker, I feel it is appropriate to call to the attention of the House in connection with this resolution some pertinent facts which were laid before the Committee on Foreign Affairs, in order that the membership of this House may judge whether or not a delay in the consideration of this resolution is advisable.

The gentleman from Missouri [Mr. DYER] has just made the suggestion that the expenditure of \$450,000 for the purpose of defraying the expenses of the delegation from our country to this disarmament conference is an excessive expenditure. I believe we must keep in mind the fact that behind this conference there are elements so momentous and so important that we can not place financial measurement upon them. We are considering in the House a great many pressing national questions. We are trying to adjust the problems of taxation so that the backs of our overburdened citizens can bear them. But we must not fail to remember that more than 70 cents out of every dollar of taxes paid by the people of this country goes to pay for past or future wars. To try to adjust our taxation burdens without taking cognizance of this fact is comparable to putting a plaster on a cancer. If we permit the armaments of this world, without any interference on our part, to expand to such an extent that they gradually absorb the resources of the nations we are overlooking the most vital problem facing the world to-day.

The estimated expense of the American group of 5 delegates and the total personnel of 40, including the advisers and employees, is \$450,000. That sum represents the annual cost of maintenance and operation of one submarine. It represents one-third of the annual cost of the operation and maintenance of a 10,000-ton cruiser. It represents one-fifth of the cost of the operation and maintenance of one 35,000-ton capital ship.

Mr. BLANTON. Will the gentlewoman yield?

Mrs. OWEN. I have only five minutes.

Mr. BLANTON. I would like to make this observation, that the question of reparations and the question of the cancellation of public debts are very likely to come up at this meeting in Geneva.

Mrs. OWEN. Neither of those questions is included in the scope of the proposed agenda.

Mr. BLANTON. But they could come up to greatly embarrass us, and some question of affront to Japan or some other nation could arise that would involve us in serious international complications.

Mrs. OWEN. May I say to the gentleman that those questions are not included in the agenda that have been approved by the six preliminary conferences, in all of which our country has taken part.

Mr. BLANTON. I would call the gentlewoman's attention to a very large conference that was held last year, which lasted several months, and which cost only \$13,000; \$450,000 is a tremendous sum of money to spend on this conference. I am willing under proper limitations to appropriate \$50,000 or even \$100,000, but that should be the maximum amount. Most of this enormous sum of \$450,000 would be wasted in extravagance.

Mrs. OWEN. May I make a personal reference to my own experience, only because I believe it parallels that of the great majority of thinking citizens? When war was declared in 1914 and in London I saw "the first hundred thousand" moving through the streets of London and was almost

within sound of the guns in France, I went to the American Embassy and read the documents which reported the steps taken by the nations of the world toward international understanding and agreement. I found that our own country had taken the leadership since 1906 in the international conferences in Geneva.

[Here the gavel fell.]

Mrs. OWEN. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Will the gentlewoman yield for a question?

Mrs. OWEN. Yes.

Mr. BYRNS. If this conference is to be limited to the reduction of armaments, there are some of us who would like to know why it is necessary to make an appropriation or authorization for eight months, because I understand this resolution provides for an eight months' conference.

Mrs. OWEN. I believe I can answer the gentleman. This conference contemplates the possible length of eight months. This is the first conference in which 62 nations will have participated. In the preliminary conferences only a small group of the greater powers participated, but in this one practically all of the nations of the world have been invited to participate. It will probably be impossible to terminate the conference in less than eight months. Possibly an even longer time will be necessary.

When I studied the movements which had been originated amongst the nations of the world to arrive at some international agreement, I found that our country since 1906 had taken a leading part in these conferences at Geneva. When the World War had focused public attention on the vital need of international understanding, our country again took the leadership in the proposal that the League of Nations should form a body of international arbitration. Although the United States has not been a member of the League of Nations, we have taken an unofficial part in the deliberations of that body. The present conference is the result of six preliminary conferences, which have been considering an agenda which could be submitted to all the nations of the world. The subjects to be considered by this conference concern the limitation of armaments and all questions which deal with preparations for war, armaments on land, on sea, in the air, and the use of all implements by which war is waged.

We must recognize that there are two groups of thought in our country, widely divergent in their views as to the method by which nations may be induced to keep the peace. There is one group which holds that the best way to keep the peace is to so arm ourselves that no nation will dare to attack us. There is another group which holds that the best way to keep the peace is to disarm ourselves and set an example which public opinion will force other nations to follow. Speaking for myself, I believe that neither of these courses will keep the peace.

The only way the nations of the world can keep the peace is by the establishment of some mechanism by which international disputes can be settled without recourse to arms. Until such mechanism has been perfected by the nations of the world, to neglect national defense is folly; but to fail to take every step that leads toward ultimate international decency and order is not only folly but criminal negligence on the part of a nation like the United States. [Applause.]

The gentleman has expressed his own doubt as to the possible accomplishments of the conference. I do not believe we can expect that this conference will solve all the problems of competitive armaments. We can not by this one conference remove the cancer that is absorbing the resources of the nations of the world, but this international gathering can show that the nations of the world are alive to the existence of this cancer. It can limit the extent of its growth. It can show that there is a disposition upon the part of the nations to try to acquire the courage and the wisdom to eventually endeavor to remove it. [Applause.]

[Here the gavel fell.]

THE TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF GEORGE WASHINGTON

Mr. BROWNING. Mr. Speaker, I ask unanimous consent to extend my remarks by having printed in the Appendix of the RECORD the program of major events in the District of Columbia in connection with the George Washington Bicentennial Celebration.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BROWNING. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

STATEMENT BY DR. GEORGE C. HAVENNER, EXECUTIVE VICE CHAIRMAN, DISTRICT OF COLUMBIA GEORGE WASHINGTON BICENTENNIAL COMMISSION

The program for the observance of the bicentennial of Washington's birth in the National Capital, which we are releasing to the public through the press, will be found in two sections. It provides for a series of major and collateral events, which will be presented at regular and frequent intervals throughout the 9-month period of the celebration, which will begin in the churches and Sunday schools on February 20 and 21 and which will be opened officially on February 22, continuing through to Thanksgiving Day on November 24.

For the convenience of the public, since it is expected that the celebration here in Washington will attract large numbers of visitors, a definite date has been assigned to each of these major and collateral events, which total about 60.

Preparations are being made for the reception and entertainment of a greater number of visitors from all parts of the United States and from Canada and foreign countries than has ever before visited Washington in any given year. Conservative estimates of this number have been placed at from six to eight million visitors.

Those events which we have listed as major events will be held under official auspices. As the program is carried out, they will constitute what may be termed the peak days. These events will be the greatest drawing cards in attracting visitors, and for this reason they have been given definite dates far in advance so that prospective visitors from all parts of the United States may arrange their travel itineraries accordingly.

The collateral events will be found to include various gatherings and celebrations, which while arranged sometimes without any cooperation on the part of our Bicentennial Commission, are in many instances being planned with full official cooperation and sponsorship. It is certain that some of these events will be staged upon a scale which will warrant their appearing among major happenings in the revised program. But their dates will remain as now announced, so that the public at large can arrange its travel itinerary to Washington with the assurance that the dates will not be changed.

It is a pleasure at this time to acknowledge the staunch support and assistance which I have received all along from Dr. Cloyd Heck Marvin, chairman, and the members of the District of Columbia Bicentennial Commission, with whom I have been associated in this work. From Senator SIMEON D. FESS, of Ohio, and Representative SOL BLOOM, of New York, vice chairman and associate director, respectively, of the United States commission, I have received hearty cooperation.

The United States and District of Columbia commissions are working in the utmost harmony. The programs here in Washington naturally will be of such a character that the work of the two commissions will frequently be cooperative and supplemental. In all plans for the celebration which the District commission is arranging we are drawing freely upon the splendid resources of the United States commission and are receiving invaluable assistance.

In addition to the schedules of major and collateral events in our program we are also including in a third section a list of 165 conventions to be held in Washington during the bicentennial year. This list has been compiled by the greater National Capital committee of the Washington Board of Trade. These conventions will bring not only large numbers of delegates to Washington but the usual number of unofficial visitors, such as members of delegates' families and friends, who will greatly augment the crowds which the bicentennial will attract.

February 22

12 noon

ADDRESS BY THE PRESIDENT OF THE UNITED STATES BEFORE THE JOINT SESSION OF CONGRESS

With an address by President Hoover as the outstanding tribute, the celebration of the two hundredth anniversary of the birth of George Washington will be inaugurated at high noon (on February 22 next), when a joint session of Congress will be held in the Hall of the House of Representatives under arrangements being completed by the United States George Washington Bicentennial Commission. The program will be broadcast through national and international hook-ups.

Invited to be present at this national tribute to the Father of His Country will be statesmen of national and international fame.

12.45 p. m.

COMMEMORATIVE CEREMONY AT THE EAST FRONT OF THE CAPITOL

When President Hoover gives the signal from the east steps of the Capitol immediately after the conclusion of the joint session of Congress, the singing of America, to be taken up simultaneously by Americans in all parts of the country and throughout the world, will usher in the program arranged by the District of Columbia George Washington Bicentennial Commission and the various State commissions.

The magic of radio will make possible this mammoth chorus in which literally millions are expected to join in a spontaneous tribute of song to the Nation's founder. Besides being broadcast all over the country through one of the most elaborate national hook-ups yet arranged, plans are being perfected for an international broadcast through which the program will be carried to other listening millions overseas.

The exercises on the Capitol steps will be the first of a series of major events thus far arranged to be carried out by the District commission, of which Cloyd Heck Marvin is chairman and George C. Havenner executive vice chairman.

President Hoover, who as chairman of the United States commission will deliver the eulogy before the joint session of Congress, will also become the central figure in the program to be carried out immediately afterwards in behalf of the District of Columbia. It is expected that this program will begin about 12.45 p. m. As soon as the exercises in the House have been concluded the President and other distinguished guests will be received in the rotunda of the Capitol by the members of the District of Columbia commission and the national commission.

President Hoover will be escorted to the central portico of the Capitol, where all will be in readiness for him to give the signal for the vast assemblage in the plaza to join the singing of America. The great chorus will be conducted by Walter Damrosch. The principal singing unit will be composed of 10,000 Washington school children, who are being organized under the leadership of Dr. Edwin N. C. Barnes. An adult chorus of 2,000 voices is also being recruited by Mrs. Elizabeth K. Peeples.

Joining with these special units in the spontaneous tribute of song will be the throng gathered in the plaza, and there is every expectation that it will reach the proportions of the assemblage that gathers every four years for the inauguration ceremonies. As loud speakers will be provided, the plaza throng will be able to hear both programs—that carried on at the joint session in the House of Representatives and the outdoor demonstration which will immediately follow. The special national and international radio hook-ups will likewise carry the program throughout the entire country and to foreign countries, thus making possible the singing of America by an audience literally to be numbered by millions, which may well be the largest chorus ever joining in the singing of one song.

The accompaniment will be furnished by the United States Army, Navy, and Marine Bands, which will play as a unit under the direction of John Philip Sousa, famous all over the world and a particular favorite with those older Washingtonians who remember his leadership of the Marine Band years ago.

The singing of America will be followed by various old patriotic favorites, and since President Hoover's address will be delivered before the joint session of Congress another speaker of national renown will be invited to address the plaza assemblage.

After luncheon President Hoover, accompanied by the United States and District of Columbia George Washington Bicentennial Commissions, will go to Mount Vernon to lay a wreath on Washington's Tomb in the name of the Nation.

3 p. m.

EXERCISES AT WASHINGTON MONUMENT

At this hour a program of exercises in connection with the placing of wreaths at the base of the Washington Monument will be carried out by the District of Columbia Society, Daughters of the American Revolution; the District of Columbia Society, Sons of the American Revolution; the Society of the Sons of the Revolution in the District of Columbia; and the District of Columbia Society, Children of the American Revolution. The chairman of the committee is Miss Helen Harman, State regent, District of Columbia Society, Daughters of the American Revolution.

COLONIAL BALL IN EIGHTEENTH-CENTURY SETTING

This will be a pageant and costume ball. It will be held at the Mayflower Hotel; and being the opening social function in connection with the celebration, a magnificent and brilliant affair is being arranged. It will be under the joint auspices of the United States and District of Columbia George Washington Bicentennial Commissions.

February 21, 25, 26

THE WAKEFIELD MASQUE

While the official celebration will begin on February 22, there will be presented the evening before in Constitution Hall, Washington, a religious masque by Percy Mackaye, entitled "Wakefield." This masque is being produced under the joint auspices of the United States and the District of Columbia George Washington Bicentennial Commissions. Fittingly enough, February 21 falls on Sunday, so the presentation of the masque anticipates the opening program by one day only. The presentation will portray in symbolic form scenes in and around Washington's birthplace and the factors that were the moving force and inspiration of his

great career. Music will be furnished by the United States Marine Band orchestra. This masque will be repeated on the evenings of February 25 and 26 in Constitution Hall.

FORMAL OPENING OF THE MOUNT VERNON MEMORIAL BOULEVARD

The United States George Washington Bicentennial Commission has supervised the construction of the great Mount Vernon Memorial Boulevard connecting the National Capital with Washington's old home. The construction work has been done by the Bureau of Public Roads of the Department of Agriculture. This project is now nearing completion. The highway will be thrown open to the public early in the new year and will be dedicated on a date to be determined later, with exercises arranged by the United States Bicentennial Commission.

April 6

CELEBRATION OF ARMY DAY

This is the anniversary of the entry of the United States into the World War and is annually observed as Army Day, with emphasis on the part played by the military forces in time of peace. The day's events will include a grand parade of military, patriotic, and civilian organizations through Pennsylvania and Constitution Avenues, culminating in a demonstration in the Monument Grounds, where the units will be reviewed by the Secretary of War, Hon. Patrick J. Hurley. The grand marshal of the parade will be Maj. Gen. Douglas MacArthur, Chief of Staff of the Army, and the marshal probably will be Maj. Gen. Paul B. Malone, commander of the Third Army Corps Area.

Included in the parade will be the United States Army Band; a battery of Field Artillery and a troop of Cavalry from Fort Myer, Va., both in Continental uniform; Tank Corps from Camp Meade; mechanized Artillery unit from Fort Hoyle; the Twentieth Regiment of Marines, with their band; District of Columbia National Guard; District of Columbia High School Cadets; Reserve Officers' Training Corps; units from Georgetown University and the University of Maryland; detachments of bluejackets and marines from visiting naval vessels, with their bands; veteran and patriotic organizations; representatives of the governors of the various States of the Union; representatives of each State jurisdiction of the Military Order of the World War. The program will be sponsored by the Military Order of the World War.

April-May

THE CHERRY BLOSSOM FÊTE

The annual blossoming of the cherry trees, a gift to the United States from the Japanese Government, makes the borders of the Tidal Basin in Potomac Park and the road around Haines Point a scene of incomparable beauty. This event is not only awaited locally with anticipation but it has become one of the principal attractions of Washington in the spring to visitors from all parts of the country.

A cherry blossom fête will be arranged in connection with the bicentennial celebration, its date, of necessity, dependent upon the advance of the season and the flowering of the trees.

May 7

REENACTMENT OF FIRST INAUGURAL RECEPTION AND BALL

This is the anniversary of the great inaugural ball in New York City on May 7, 1789. Plans are under way to reenact in the Capitol Plaza on the evening of this day the first inaugural ball and reception given by George and Martha Washington. All who attend this ball, which is open to the public, free of charge, must be attired in Colonial costume. Tickets will be given to all who apply to the District of Columbia Commission, but no one will be admitted unless dressed in period costume. Music will be provided by the United States Army Band, and it is expected that it will be one of the most colorful and interesting revivals in connection with the celebration, recreating the social atmosphere of the eighteenth century, with twentieth-century dances giving way to minuets, gavottes, mazurkas, and other stately dances of the Colonial period.

May 8

MOTHER'S DAY OBSERVANCE

The observance of this day will emphasize Washington's reverence and devotion to Mary Ball Washington, whose place as one of the great mothers in history will be the theme of song, sermon, and story. As Mother's Day falls on Sunday, it is expected to inspire widespread religious observance by the churches, both in individual congregations and in groups. The chairman of the committee arranging the observance in the Capital City in behalf of the District of Columbia commission is Mrs. Thora Seaton, chairman of the fine arts committee, District of Columbia Federation of Women's Clubs.

A notable service on Mother's Day will be held at Washington Cathedral at 4 p. m., in cooperation with the official committee, Right Rev. James E. Freeman, D. D., Bishop of Washington, will preach a special sermon. This service will be broadcast.

The commission makes an earnest appeal for a widespread observance of Mother's Day by all societies and organizations which can arrange to participate.

May 9-13

WEEK OF AMERICAN MUSIC

The program will be sponsored by the National Federation of Music Clubs, of which Mrs. Elmer James Ottaway, of Port Huron, Mich., is president. It is planned to arrange a series of events

which will exemplify the evolution of American music from its beginnings back in colonial days. The program will include folk songs and folk dances and notable choral, concert, and orchestral features. The famous Philadelphia Harmonica Band, under the leadership of Albert N. Hoxie, and made up of some 60 boys from the Philadelphia public schools, ranging in age from 10 to 17 years, has volunteered for one concert. Mme. Ernestine Schumann-Heink, world-famous prima donna, will be invited to join in the celebration as soloist at this concert. Mrs. Gertrude Lyons, president of the District Federation of Music Clubs, is chairman of the committee in charge of local arrangements.

May 14

YOUNG FOLKS FÊTE DAY

This day is being planned in order to afford the young folks an opportunity to pay their tribute to Washington. Miss Sibyl Baker, supervisor of playgrounds for the District of Columbia, has accepted the chairmanship.

It is expected that the events to be arranged will take up the greater part of the day and will be presented in the public parks and in the playgrounds throughout the city. It is planned to arrange a series of programs which will demonstrate the activities of American children in every phase of their educational and recreational pursuits. Their music, their handicrafts, their games and athletics, their programs of dances and dramatics will all be drawn upon to make the day one of diversified and unique interest. The aim will be to enlist the active participation in some phase of this day's program of every child in the District of Columbia.

May 29

MASSING OF THE COLORS (MEMORIAL SUNDAY)

The annual ceremony of the massing of the colors on Memorial Sunday has become an event of increasing patriotic interest in Washington, and it is planned to make the observance one of outstanding interest in connection with the bicentennial celebration. It will be held in the Monument Grounds at 4 p. m., and all the exercises, in which the religious, military, and patriotic elements will be blended, will be carried out under field conditions. The United States Army Band will furnish the music.

The program for this day, in accordance with custom, will be sponsored by the Military Order of the World War, the committee being Rev. Arlington A. McCallum, chairman; Maj. Charles Demonet, and Maj. Edwin S. Bettelheim, jr. Already there are assurances that more than 200 military, patriotic, and civic organizations will send delegations to the exercises. It is also expected that all arms of the military service in Washington and its environs will participate. Maj. Gen. James G. Harbord has tentatively accepted the invitation to make the principal address, and Rev. Francis P. Duffy, of New York, former chaplain of the Rainbow Division, has been invited to be present as a special guest.

June 14

FLAG DAY CELEBRATION

This is the anniversary of the adoption of the Stars and Stripes as the national standard by the Continental Congress June 14, 1777, an event which lends itself naturally to special commemoration in the bicentennial year. There will be a great flag procession the evening of this day through Constitution and Pennsylvania Avenues to the east front of the Capitol. Specially invited guests on this day will be President Hoover and his Cabinet, the justices of the Supreme Court of the United States, the Diplomatic Corps, Members of the Senate and House of Representatives, and other notable personages.

Participating in the procession and in the pageant and grand review in the Capitol Plaza will be floats and marching units from most of the States of the Union. The various State delegations will carry their flags and in addition some of the most notable flags which have figured in the national history will be given places of honor. Units representing various national groups out of which America has been welded will participate and carry the flags of the nations of their origin. It is planned to unfold through this spectacle the story of the flag as it is bound up in the evolution of the Nation. A culminating feature will be the massing of all the standards in the procession, in the ceremonies in front of the Capitol. The bands of the United States Army, United States Navy, and United States Marine Corps will participate.

June 22-25

GEORGE WASHINGTON PAGEANT PLAY

The title of this play is *The Great American*, a Pageant Drama of George Washington. The scenario consists of a prologue, six actions, and an epilogue. The actions delineate Washington as surveyor, frontiersman, legislator, commander in chief, statesman, and the man at Mount Vernon. This pageant was prepared by the United States George Washington Bicentennial Commission "to be enacted by the people of the United States" during the Bicentennial year. In Washington the play will be presented evenings in the Monument Grounds.

It is planned to make this the most stupendous and brilliant patriotic pageant undertaken in America. In its presentation 5,000 persons will participate, with a chorus of 2,000 more, accompanied by the massed bands of the United States Army, United States Navy, and United States Marine Corps. Percy J. Burrell, of the staff of the United States Commission, and Marie Moore Forrest, director of plays and pageants for the District of Columbia Commission, will be in charge of the production.

The pageant scenario of *The Great American* follows:

"THE PROLOGUE"

"The Call of 1732, in which the voice of America summons Truth, Courage, Devotion, and incarnates them in the youth, George Washington.

"THE DRAMA"

"The Great American, in which these three virtues inherent in the youth flower into manhood and are revealed in words of wisdom and prophecy and by acts of leadership and sacrifice.

"THE EPILOGUE"

"The Answer of 1932, in which the Voice of America summons the United States, a Nation that George Washington founded and bequeathed to the people thereof, and who in this day would so honor and emulate him as to insure the weal and the perpetuity of their common country.

"THE DRAMA—THE GREAT AMERICAN"

"First action—The Surveyor: A great career begins, 1748.

"Section action—The Frontiersman: Scene 1, At Fort Le Boeuf, 1754. Scene 2, Burial of Braddock, 1755.

"Third action—The Legislator: The Virginia convention, 1775. (Raleigh convention, Williamsburg.)

"Fourth action—The Commander in Chief: Scene 1. Elected, 1775. Scene 2. Taking command of the Army, 1775. Scene 3. Valley Forge, 1778. Scene 4. Rallying the troops at Monmouth, 1778. Scene 5. Yorktown, 1781.

"Dramatic rhythmic movement—The Dance of Liberty: Scene 6. Farewell to his officers, 1783.

"Fifth action—The Statesman: Scene 1, Constitutional Convention, 1787. Scene 2. Farewell to his mother, 1789. Scene 3. The inauguration, 1789. Scene 4. The inaugural ball, 1789. Scene 5. Planning the Capital City, 1791.

"Sixth action—The Man at Mount Vernon: The great career nears its close.

July 4

INDEPENDENCE DAY CELEBRATION

It is planned to make this an old-fashioned Fourth of July celebration, also a home-coming day, a distinctly local day, with a program calculated to appeal strongly to local sentiment and to make old-time residents desire to return to the old-home environment for family reunions. It will be arranged by the Federation of Citizens' Associations of the District of Columbia under the leadership of a central committee composed of representatives of each of the many associations of citizens.

August 10

BOYS' AND GIRLS' DAY

The program for juvenile day will be given over to exercises showing the activities of the younger generation, both boys and girls. The date for this event coincides with a regional meeting of the Boy Scouts of America, who are expected to take part in the exercises. The Girl Scouts also will participate, together with the other boys' and girls' organizations. A colorful feature of the program will be a pageant by the Boy Scouts. In the afternoon there will be a pilgrimage of these young folks to Mount Vernon, while the day will be brought to a close with exercises in the Sylvan Theater at the foot of the Washington Monument.

September 5

LABOR DAY EXERCISES

The District of Columbia fire department has annually for several years organized an impressive Labor Day parade. It is planned to organize a committee to cooperate with the Washington firemen in staging a mammoth parade and pageant as a distinctive contribution to the George Washington Bicentennial on Labor Day of this year.

September

VISIT OF FRENCH WAR VETERANS

One of the outstanding events in Washington during the bicentennial celebration will be the visit here next September of some 1,500 French veterans of the World War. They are coming as guests of the United States Government and of the American Legion, upon invitations extended through the French Government by President Hoover and by Henry L. Stevens, jr., national commander of the American Legion. The District of Columbia George Washington Bicentennial Commission is cooperating with the American Legion in arranging for their proper reception and for a program of entertainment for them while they are in the National Capital.

The French veterans have not as yet signified the time of their arrival, but it is expected it will be after the national convention of the American Legion, which will be held in Portland, Oreg., September 12 to 15. A grand parade of honor of the visiting polus will be one of the spectacular events. It is being arranged by Maj. Gen. Anton Stephan as chairman of parades for the District Bicentennial Commission.

Congress has authorized the expenditure of \$50,000 in the entertainment of the French visitors. The hospitality to be extended will reciprocate the elaborate entertainment provided by the French Government when American legionnaires visited Paris in 1927. Events being arranged include a garden party at the White House, a dinner by the Secretary of State, a dinner given jointly by the Secretary of War and the Secretary of the Navy, and a grand ball. Then there will be pilgrimages to Mount Vernon and to the Tomb of the Unknown Soldier in Arlington Cemetery.

The chairman of the American Legion committee for this event is Commander E. E. Spafford, of New York, and Col. John Thomas Taylor, of Washington, is cooperating in the arrangements.

November 11

ARMISTICE DAY CEREMONIES

Armistice Day, coming toward the close of the bicentennial celebration, will be notable in 1932 for ceremonies in connection with the rededication of the Tomb of the Unknown Soldier at Arlington Cemetery. The beautiful white marble memorial to be placed over the tomb will have been completed in time for the ceremonies, which will be participated in by the highest officials of this and other countries under the leadership of the American Legion.

The American Legion at its Detroit convention in 1931 adopted a resolution instructing its national commander "to appoint a national committee to cooperate with the War Department and the George Washington Bicentennial Commission in arrangements for a national Armistice Day program in our National Capital on November 11, 1932, the climax of which will be the rededication of the Tomb of the Unknown Soldier by ceremonies in which all departments of the American Legion will be invited to participate."

This event is expected to inspire pilgrimages of American legionnaires to Arlington from all parts of the United States and from overseas, and preparations are being made for a larger number of visitors than witnessed the burial of the Unknown Soldier on November 11, 1921.

The District of Columbia American Legion bicentennial committee, of which W. N. Morrell is chairman, is arranging for a grand Armistice Day parade which will include not only World War units but also many of the ancient colonial commands and other historic military organizations. It is planned that the parade will form at the Capitol and the line of march will be through Pennsylvania Avenue. President Hoover, members of the Cabinet, and other high officials will be invited to review the parade. The committee is also arranging for an armistice night ball under the leadership of Brig. Gen. William E. Horton, U. S. A., retired.

The Veterans of Foreign Wars will hold an Armistice Day jubilee in the Washington Auditorium on the evening of Armistice Day. The proceeds will go for the benefit of destitute and disabled comrades.

November 24

THANKSGIVING DAY OBSERVANCE

Close of the celebration with exercises under the joint auspices of the United States and the District of Columbia George Washington Bicentennial Commissions.

OTHER MAJOR EVENTS

The present program is tentative. Other major events are being formulated and will be listed in the official program to be issued later.

COLLATERAL EVENTS

In addition to the major events which the District of Columbia commission is arranging there will be carried out from time to time during the bicentennial period an interesting series of collateral events. These events already number more than 30 and others are promised of equal interest. They will be arranged by various organizations and societies, and while they will be noteworthy contributions to the diversity of the bicentennial events, they will be staged for the most part independently, although sometimes with the cooperation of the commission where such cooperation is feasible.

Some of the more interesting of these collateral events follow:

February 20-25

NATIONAL EDUCATION ASSOCIATION ANNUAL MEETING, DEPARTMENT OF SUPERINTENDENCE

By a happy coincidence the sixty-second annual meeting of the department of superintendence, National Education Association, will be in session in Washington when the celebration of the bicentennial opens. It will bring to the city more than 10,000 educators connected with the public schools in all parts of the United States.

The theme of the convention will be "Education, our guide, and our safeguard, and one of the chief sources of our spiritual life, our cultural growth, and our material power."

February 22

GEORGE WASHINGTON UNIVERSITY CONVOCATION

The George Washington University Convocation on February 22 will be held in recognition of George Washington's interest in education. Every university and college in the United States is being asked to be present. Inasmuch as the department of superintendence of the National Education Association is meeting in Washington at that time they have been asked to join the university in the convocation, and it is hoped that many of the colleges and universities throughout the country will nominate members of the department of superintendence to represent them. An outstanding speaker has been asked to make the address of the evening, which will be looked upon as the keynote address for the bicentennial year.

PAN AMERICAN UNION

The Pan American Union is formulating a series of programs in which representatives of the three Americas will join in a bicentennial tribute.

At 11 o'clock on the morning of February 22, according to present plans, a special solemn session of commemoration will be held in the great Hall of the Americas in the Pan American Building, presided over by the Secretary of State and participated in by the diplomatic representatives of North, Central, and South America, at which an address on George Washington will be delivered by the vice chairman of the governing board, Señor Don Orestes Ferrara, ambassador of Cuba. A wreath will also be placed on the Washington Statue. This program will be broadcast.

Arrangements are being made to have the school children of all the countries of the Americas participate in tribute to Washington on certain days to be determined. Likewise, schools in different parts of the United States will present copies of Washington's portrait to schools throughout Pan America, where they will be accepted with appropriate exercises.

A special George Washington number of the Pan American Bulletin will be issued some time during the bicentennial year, printed in Spanish and Portuguese as well as in English.

ORDER OF WASHINGTON BALL

The Order of Washington, a patriotic order of descendants of colonial American families whose ancestors assisted in the Revolution, will hold its annual banquet and ball. Members of all colonial orders welcome.

March 1

ST. DAVID SOCIETY

This is St. David's Day, a festival beloved of Welsh people the world over. The St. David Society of Washington, of which Fred L. Harries is president, is arranging a banquet at which the principal address will be delivered by Hon. David J. Lewis of Maryland.

March 5

WASHINGTON PORTRAIT EXHIBIT

The United States George Washington Bicentennial Commission has arranged a great exhibit of portraits of George Washington and his contemporaries which will be opened this day in the Corcoran Gallery of Art.

March 16

WASHINGTON PLAY TOURNAMENT

The annual District of Columbia 1-act play tournament to be held the evening of this day in McKinley High School Auditorium will feature plays of the American Colonial or Revolutionary War period as a contribution to the bicentennial celebration. Four 1-act plays will be given under the auspices of the community center department with the cooperation of the Drama Guild of Washington.

The plays for the finals in the tournament—two serious and two light dramas—will be selected as a result of preliminaries to be presented on six nights between February 27 and March 12, when a total of 24 1-act plays will be produced. The preliminaries will be given in Wilson Teachers College and the East Washington community center. The judges of the finals will be the dramatic critics of the Washington newspapers.

The plays to be offered in this tournament may be chosen from among those available through the United States George Washington Bicentennial Commission or those made available at the community center department with the cooperation of the District of Columbia Public Library through the courtesy of the librarian, George F. Bowerman.

March 19

ANNUAL CHILDREN'S FESTIVAL

The offering for the annual children's festival arranged by the District of Columbia community center department will be Rip Van Winkle. A dance-pantomime version of this popular legend will be given in the evening in the auditorium of the central community center.

COMMUNITY CENTER CELEBRATIONS

Innumerable events and programs will be arranged for from time to time during the bicentennial year to emphasize the local character of Washington's participation in the celebration. Mrs. Elizabeth K. Peeples, director of the District community center department, announces a schedule of community center bicentennial dates, for which patriotic programs are being formulated including colonial balls and dances, plays, pageants, and other features.

The central community center will, under the direction of Miss Liza Gardiner, give a program of dances at Central High School Auditorium on the evening of March 8. The dances will range from Le Maise of Debussy and will include music by Chopin and Smetana. The feature of the program will be the dances from Prince Igor of Borodine. The United States Army Band orchestra will furnish music.

Other community center events scheduled follow:

Chevy Chase, March 25, illustrated lecture.

Columbia Heights, April 20, Washington play.

East Washington, February 27, play.

Langley and Burroughs, February 24, dance program.

Macfarland, February 26, colonial ball.

Park View, March 11.

Southeast, October 13, children's colonial play.

Thomson, February 29-March 28, children's colonial play.

Birney, November 7, colonial dance.

Burrville, February 24, reception, colonial dance.

Dunbar, February 26, colonial dance.
Garnet-Patterson, February (date to be determined), colonial ball.

Lovejoy, April 20.

Armstrong, April 7, historic events.

Francis-West Washington, April 14, colonial ball.

March 27

EASTER DAY

Easter Day is always a festival of joyful religious interest in Washington, with services in the churches of the various denominations which appeal to visitors of all beliefs. Community and congregational sunrise choral services add color to the Easter celebration here.

ARLINGTON MEMORIAL BRIDGE

The recently opened Arlington Memorial Bridge over the Potomac River, which connects the central axis of the National Capital at the Lincoln Memorial with the Arlington National Cemetery, including the Mount Vernon Memorial Highway, which has cost nearly \$7,500,000, will afford bicentennial visitors an opportunity to see one of the most beautiful and majestic bridges in the world. The entire project, including the decorative features of the approaches and the construction of Constitution Avenue from the Capitol to the Potomac River, is to be completed in three years more, and is estimated to cost \$14,750,000, and is being built under a special commission, of which the President is chairman and the other members are the Vice President, the Speaker of the House, and the chairman of the Senate and House Committees on Public Buildings and Grounds.

The design and construction work are in charge of the commission's executive officer, Lieut. Col. U. S. Grant, 3d, the consulting architects are McKim, Mead & White, of New York, and the consulting engineer is Mr. W. J. Douglas, of New York, while the Commission of Fine Arts is advising in all matters of aesthetics. It is especially fitting that this finest and most expensive memorial built by the Government should not be to any one individual or group of individuals but should be a memorial to all those who have given their lives to the development of our country, and by its design and decorations should symbolize the unity and achievements of the entire Nation.

April 3

WELSH SINGING FESTIVAL

The St. David Society of Washington, of which Fred L. Harries is president, is planning two meetings for this day (Sunday) in observance of the bicentennial. Both will be held in the First Congregational Church, Tenth and G Streets NW. At 3 p. m. a Welsh singing festival will be held under the direction of Daniel Protheroe, of Chicago, famous conductor and composer. In the evening at 8 o'clock a commemorative meeting will be held at which historical addresses will be delivered dealing with Welsh contributions to the establishment of the Nation.

AMERICAN CREED DAY

The various churches in the District of Columbia will be invited to observe this day as "American creed day" with services centering around the American Creed, compiled by Hon. William Tyler Page. A patriotic mass meeting will be arranged for the afternoon.

April 4-8

PILGRIMAGE OF MIDWESTERN CLUB WOMEN

A group of club women from Middle Western States are planning to make a bicentennial pilgrimage to the National Capital at this time. Mrs. Edgar B. Meritt, president of the District of Columbia Federation of Women's Clubs, will act as hostess to the visitors, of whom about 500 are expected.

April 11-14

RED CROSS CONVENTION

The annual convention of the American Red Cross will be held at this time, with upward of 1,300 delegates in attendance, representing chapters in all parts of the United States.

April 14

PAN AMERICAN DAY, MOUNT VERNON PILGRIMAGE

The governing board of the Pan American Union is planning a pilgrimage to Mount Vernon on this day. The diplomatic representatives of the three Americas, according to the tentative program, will meet at the Pan American Building and proceed in a body to Mount Vernon, where wreaths will be placed on Washington's Tomb and where tributes to his life and work from the Presidents of the Latin American Republics will be read by their representatives.

NATIONAL SOCIETY, DAUGHTERS OF FOUNDERS AND PATRIOTS

The general court of this society will hold its annual meeting at this time and is preparing a program in recognition of the bicentennial.

April 18-23

DAUGHTERS OF THE AMERICAN REVOLUTION

This is the Forty-first Continental Congress of the National Society, Daughters of the American Revolution, of which Mrs. Lowell Fletcher Hobart is president general.

Simultaneously will be held the annual meeting of the National Society, Children of the American Revolution, of which Mrs. Samuel Shaw Arentz is president.

The program in observance of the bicentennial of Washington's birth will be carried out under the direction of Miss Helen Harman, State regent of the District of Columbia.

April 23-25

NATIONAL SOCIETY, DAUGHTERS OF AMERICAN COLONISTS

The general assembly of this society will hold its annual meeting. On Tuesday, April 26, at 2 p. m., the District of Columbia Chapter, Daughters of American Colonists, of which Mrs. Pedro Capo-Rodriguez is State regent, will present a grandfather's clock to George Washington University.

April 27-30

ARTISTS, ARCHITECTS, AND CITY PLANNERS

During this period national conferences of artists, architects, and city planners will be held here in Washington. Some of the meetings will be held by the different bodies separately, while some more general sessions will be held. The groups which plan meetings are: National Capital Park and Planning Commission, National Commission of Fine Arts, American City Planning Institute, American Institute of Architects, American Society of Landscape Architects, National Sculpture Society, National Society of Mural Painters, American Civic Association, American Society of Civil Engineers.

April 30

EXERCISES AT ARLINGTON MANSION

This date being the birthday of George Washington Parke Custis, long owner of Arlington estate, has been chosen for a simple ceremony in connection with the acceptance of a painting of George Washington in the uniform he wore as an officer in the French and Indian wars. The painting is a gift for the mansion from the National Society of Colonial Wars. Other presentations will be made at the same time. These exercises will be held within the mansion and will not be open to the public because of lack of space.

George Washington Parke Custis was a grandson of Martha Washington, an adopted son of George Washington, and the father of Mrs. Robert E. Lee.

Arlington House, which has now been restored and refurnished to period by the construction division of the Quartermaster Corps of the Army, will be an added attraction to bicentennial visitors to Arlington Cemetery. As the house now stands it is both exteriorly and in its interior furnishings a splendid example of the old-time southern mansion.

May 4, 5, 6

COLONIAL DAMES OF AMERICA

The National Society of Colonial Dames of America will at this time dedicate their national headquarters, historic Bellevue, at 2715 Q Street NW. In this connection it is planned to have a fitting observance of the bicentennial.

May 9-12

AMERICAN GOLD STAR MOTHERS

The national convention of the American Gold Star Mothers, of which Mrs. George Gordon Seibold, of Washington, is president, will be held at this time. The date was chosen to permit delegates to participate in the observance of Mother's Day in Washington on Sunday, May 8.

May 9-14

DEDICATION OF MASONIC MEMORIAL, ALEXANDRIA, VA.

The United States George Washington Bicentennial Commission has designated the second week in May, 1932, as "Masonic Week." It is estimated that upward of 300,000 Masonic visitors will be in Alexandria that week, when the peak day of the celebration will be the dedication of the great Washington Masonic Memorial.

The order of exercises will be as follows:

May 9, Monday: The Masonic Service Association of the United States will hold its annual meeting during this week, probably on May 9, and the conference of grand secretaries of the United States will be held on the evening of that date.

May 10, Tuesday: The conference of grand masters of the United States will be held either in Washington or Alexandria.

May 11, Wednesday: The annual convention of the George Washington Masonic National Memorial Association will be held in the Washington Memorial at Alexandria.

May 11, Wednesday, to May 14, Saturday: The annual convention of the National League of Masonic Clubs will be held in Washington.

The convention headquarters will be at the Willard Hotel. Maj. Gen. Amos A. Fries is general chairman of the convention committee, with Melville D. Hensley acting as chairman of arrangements for the league. The largest assembly in the history of the league is expected.

May 12, Thursday: Dedication of the George Washington Masonic National Memorial, Alexandria.

May 12, Thursday: The annual meeting of the grand commandery, Knights Templar, of Virginia, will be held in Alexandria.

May 15-19

SONS OF THE AMERICAN REVOLUTION

The annual congress of the Sons of the American Revolution will be held at this time, with headquarters in the Mayflower Hotel.

May 30

MEMORIAL DAY OBSERVANCE

Memorial Day will be a solemn and impressive day, with services commemorating the dead of all the wars. The program will be in charge of the Grand Army of the Republic Memorial Day Corporation, composed of the Grand Army of the Republic, the United Spanish War Veterans, the Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans. James G. Yaden is president.

Working through committees and in cooperation with more than a score of associate organizations, the Memorial Day Corporation will decorate the grave of every soldier buried in the cemeteries of Washington and its environs. Exercises will be held in all of these cemeteries.

President Hoover will be invited to address an assemblage to be held in the Amphitheater at Arlington Cemetery, the national Valhalla. A memorial service for airmen will be held at the Key Bridge, while soldiers, sailors, and marines who have lost their lives at sea will be commemorated in a service to be held on the Potomac River, over which flowers will be strewn in their honor. The American Gold Star Mothers will decorate the memorial markers along Sixteenth Street.

August 16-20

SUPREME COUNCIL, KNIGHTS OF COLUMBUS

The annual convention of the Supreme Council of the Knights of Columbus will be held at this time. This is the annual deliberative assembly of the Knights of Columbus and will attract delegates from all parts of the United States. It is expected that the attendance this year will be larger than at any preceding convention. An outstanding event in connection with the meeting will be the dedication of a statue of the late Cardinal Gibbons, Archbishop of Baltimore and one of the successors to John Carroll, first Catholic bishop and archbishop in the primate see of the United States.

August 19

AERONAUTICAL FESTIVAL

This day, Orville Wright's birthday, will be celebrated with an aeronautical festival in which the Army, Navy, and Commerce Departments and the various air transport companies will participate. There will be a demonstration of the most important phases in aeronautical development since Orville Wright's startling flight at Kitty Hawk, N. C., 28 years ago. Ground exhibits, including various types of aircraft engines, and other accessories, will be set up at the Army Air Corps station, Bolling Field, and at the naval air station at Anacostia.

Air maneuvers, night flying, radio signaling from ground to plane, and other interesting features will be provided. Modern transport planes will be on exhibition at Washington Airport to give the public an idea of the advances being made in air travel. Extensive aeronautical exhibits in the Smithsonian Institution, including Lindbergh's famous plane, *The Spirit of St. Louis*, will be an added attraction. The award of the continuing trophy of the District of Columbia Model Aircraft League for the best flying model of modern aircraft will be made on this day.

September 28-30

AMERICAN BAR ASSOCIATION

The annual convention of the American Bar Association, to be held in Washington at this time, will attract members of the legal fraternity in large numbers from all over the United States and from foreign countries. Its deliberative sessions will consider some of the most important legal and judicial problems confronting the country to-day. Addresses will be made by Guy A. Thompson, of St. Louis, president of the American Bar Association; Charles Evans Hughes, Chief Justice of the United States; and by other distinguished speakers from this and other countries.

October 1

UNITED STATES SUPREME COURT CEREMONY

An interesting ceremony set for this day is the placing of a commemorative tablet on the new building for the United States Supreme Court, now rising on Capitol Hill. The exercises will be carried out by the Chief Justice of the United States and the Associate Justices in the presence of a notable assemblage of jurists and other distinguished visitors. The date of this ceremony was fixed for the day after conclusion of the meeting of the American Bar Association in order to allow its members to participate.

September

MUNICIPAL AND CIVIC EXECUTIVES

During the last week in September, on dates to be determined later, there will be held a group of meetings planned by various workers in municipal and other civic activities. The organizations to be represented in these meetings are:

American Institute of Park Executives.
National Municipal League.
Proportional Representation League.
American Legislators Association.
National Association of Civic Secretaries.
American Society of Landscape Architects.

October 12

COLUMBUS DAY

The Knights of Columbus are planning a program to commemorate the anniversary of the discovery of America.

October 12-15

MILITARY ORDER OF THE WORLD WAR

The national convention of the Military Order of the World War will be held in Washington at this time. Delegates will be present from every State in the Union, as well as from France, Hawaii, the Philippine Islands, and the Panama Canal Zone. This order, which is planning elaborate exercises for Army Day (April 6), and in connection with the massing of the colors on Memorial Sunday (May 29), plans another notable event in observance of the bicentennial at this time.

October 27

NAVY DAY

This is the day annually observed as Navy Day and a celebration is being planned which would show the development of American sea defense from colonial days down to the present. For many years the celebration has been arranged by the Navy League with a program centering around the Washington Navy Yard, visits of naval vessels, parades, and other demonstrations participated in by the Navy, the Marine Corps, and patriotic and military organizations.

October 31

HALLOWEEN CARNIVAL

On the evening of October 31, the citizens of the District of Columbia will hold their annual parade on Pennsylvania and Constitution Avenues, followed by an open-air dance on Constitution Avenue. The floats and costumes will be typical of the fables and high jinks of Halloween. This event will be sponsored jointly by the greater National Capital committee of the Washington Board of Trade and the Federation of Citizens' Associations of the District of Columbia. The Washington Chamber of Commerce, the Merchants and Manufacturers' Association, and other civic bodies will cooperate in arranging this event.

WASHINGTON PUBLIC-SCHOOL PROGRAMS

All of the divisions and departments of the District of Columbia public-school system, including the teachers' colleges, senior high schools, junior high schools, and the elementary schools, will take part in special bicentennial programs now being formulated. These programs will be presented in the different schools from time to time during the bicentennial period. Mrs. Philip Sidney Smith is chairman of the committee making general arrangements for these celebrations.

ATHLETIC EVENTS

In the next issue of the District of Columbia bicentennial program many athletic events which will be held in the city of Washington during the bicentennial period will be listed. Some of these events have already been arranged for and others are now being planned.

OTHER COLLATERAL EVENTS

Other collateral events will be arranged in time for inclusion in the official program.

MEETINGS AND CONVENTIONS

There is here presented a chronological list of 165 meetings and conventions of various organizations to be held in Washington during the bicentennial year. Many of these meetings are of nation-wide interest and will attract delegates and visitors from all parts of the United States. For the guidance of the public, the name and address of the secretary or other person from whom full information regarding each meeting can be obtained is given with the name of each organization.

This convention list, which was compiled by the greater National Capital committee of the Washington Board of Trade, is as follows:

CONVENTIONS SCHEDULED TO BE HELD IN WASHINGTON IN 1932

Estimated
attendance

January: Anti-Saloon League of America, F. S. McBride, 33 Bliss Building, Washington, D. C.	
January: American Society of Landscape Architects, B. Williams, 9 Park Street, Boston, Mass.	100
January: International Seamen's Union of America, V. A. Olander, 623 South Wabash Avenue, Chicago, Ill.	50
January: Masters, Mates, and Pilots of America, J. J. Scully, 24 Moore Street, New York City	
January: American Astronomical Society, R. Dugan, Princeton University Observatory, Princeton, N. J.	100
January 14-16: American Engineering Council, L. W. Wallace, 744 Jackson Place NW., Washington, D. C.	80
January 20: National Furniture Warehousemen's Association, Ralph J. Wood, 4259 Drexel Boulevard, Chicago, Ill.	800
January 29: National Rifle Association, C. B. Lister, 816 Barr Building, Washington, D. C.	100
February: Kappa Delta Pi (men and women), Prof. E. Williams, Heidelberg College, Tiffin, Ohio	100
February: Association of American State Geologists, G. Branner, State capitol, Little Rock, Ark.	20
February: Beta Pi Kappa Fraternity, Prof. G. Walker, North Carolina State College, Raleigh, N. C.	
February: Association Retail Credit Bureaus, Columbia Conference, William Talley, Wilmington, Del.	100
February: Wholesale Stationers Association of United States, H. C. Whittemore, 250 Fifth Avenue, New York City	300

	Estimated attendance		Estimated attendance
February 2: Supervisors and Teachers Home Economics, Miss M. Buckley, 267 Fair Street, Paterson, N. J.		April: Pi Delta Epsilon, Dean H. Doyle, George Washington University, Washington, D. C.	100
February 3: Independent Order Odd Fellows Grand Encampment, G. Decker, 1637 Gales Street NW., Washington, D. C.	200	April: Daughters of American Revolution, National Society, Miss M. Barnett, Memorial Continental Hall, Washington, D. C.	4,000
February 3-4: Sand Lime Brick Association, Miss E. Knight, 321 North Hamilton Street, Saginaw, Mich.	200	April: American Society of Newspaper Editors, A. H. Kirchhofer, secretary, Buffalo Evening News, Buffalo, N. Y.	100
February 7-12: American Ceramic Society, R. C. Purdy, 2525 North High Street, Columbus, Ohio.	1,500	April: League of American Penwomen Mid-Administration Congress, Miss M. Pittle, Willard Hotel, Washington D. C.	
February 7-12: National Brick Manufacturers Research Foundation, R. C. Purdy, 2525 North High Street, Columbus, Ohio.	1,500	April: Producers Council (Inc.) meeting, J. C. Babb, 260 Eleventh Avenue, New York City.	60
February 11-13: National Association Secondary School Principals, H. V. Church, 3129 Wenonah Avenue, Berwyn, Ill.	700	April: American Association of Advertising Agencies, F. Gamble, 420 Lexington Avenue, New York City.	
February 17-20: Department of Deans of Women, National Education Association, Miss L. Elliott, Central High School, Tulsa, Okla.	500	April: National Convention of Religious Education Association, J. Artman, 59 East Van Buren Street, Chicago, Ill.	300
February 18-19: International Council for Educating Exceptional Children, E. Gray, 485 Chesterfield, West Ferndale, Mich.	500	April 11-14: American National Red Cross, Miss M. Boardman, American Red Cross, Washington, D. C.	1,500
February 19: American Wine Growers Association, L. J. Vance, 302 Broadway, New York City.	250	April 12-15: National Society of New England Women, Mrs. C. Dame, 501 East Twenty-first Street, Brooklyn, N. Y.	200
February 18-20: American College Personnel Association, Miss L. Barbour, Ohio University, Athens, Ohio.		April 14: Daughters of Founders and Patriots, Mrs. T. Jones, 1823 I Street, Washington, D. C.	
February 18-20: National Vocational Guidance Association, H. Dernbach, School Administration Building, South Bend, Ind.	600	April 14-17: American Association of Bandmasters, Edwin F. Goldman, president, 194 Riverside Drive, New York.	500
February 19-20: American Association of Teachers Colleges, C. W. Hunt, Western Reserve University, Cleveland, Ohio.	250	April 15-17: National Federation of Huguenot Societies, Samuel Herrick, president general, 1705 K Street NW., Washington, D. C.	
February 19-20: National Council of Education, A. Baylor, 1523 L Street NW., Washington, D. C.	300	April 19-23: Children of American Revolution, Miss A. Powell, national secretary, 12 Lafayette Square, Washington, D. C.	200
February 20-23: American Education Research Association, W. S. Gray, University of Chicago, Chicago, Ill.	300	April 25-27: National Academy of Science, Fred E. Wright, 2101 Connecticut Avenue, Washington, D. C.	100
February 20-25: National High School Inspectors, National Education Association, J. S. Stewart, University of Georgia, Athens, Ga.		April 25-27: National Society of United States, Daughters of 1812, M. Blake, 223 Howard Street, New Brunswick, N. J.	250
February 20-25: National Education Association, Department of Superintendence, S. Shankland, 1201 Sixteenth Street NW., Washington, D. C.	10,000	April 27-30: American Institute of Architects, F. Baldwin, the Octagon, Washington, D. C.	3,500
February 20-25: National Council of Administrative Women in Education, Grace G. Swan, 1516 Shady Avenue, Pittsburgh, Pa.	750	April 28-30: American Physical Society, W. Severinghaus, Columbia University, New York.	
February 20-25: National Society for Study of Education, Prof. C. M. Whipple, 10 Putnam Street, Danvers, Mass.		May: American National Society Colonial Dames, Mrs. W. Wilmer, Johns Hopkins University, Baltimore, Md.	150
Feb. 20-25: Department Supervisors and Teachers Home Economics, M. Buckley, 267 Fair Street, Paterson, N. J.	350	May: Producers Council (Inc.), J. C. Bobb, 260 Eleventh Avenue, New York City.	60
Feb. 22-24: Department of Secondary School Principals, National Education Association, H. V. Church, 5129 Wenonah Avenue, Berwyn, Ill.		May: Women's International League for Peace and Freedom, D. Detzer, 1805 H Street NW.	
Feb. 22-28: Department of Rural Education of National Education Association, K. M. Cook, United States Office of Education, Washington, D. C.	400	May: Independent Order B'nai B'rith Sholom of Baltimore, Nathan Plotnick, 2931 Tilden Street.	1,500
Mar. 1-4: American Concrete Institute, H. Whipple, 2970 West Grand Boulevard, Detroit, Mich.	1,000	May: American Federation of Arts, Miss L. Mechlin, Barr Building, Washington, D. C.	250
February or March: Joint Stock Land Bankers Association, George A. Harris, national vice president, Munsey Building, Washington, D. C.	75	May: Motor Vehicle Administration, Eastern Conference, T. J. Keefe, Mills Building, Washington, D. C.	
February or March: Department of Elementary School Principals, F. H. Duffy, 1616 Ridge Avenue, Steubenville, Ohio.	600	May, first week: Rotary (regional), Mrs. E. Ward, Willard Hotel, Washington, D. C.	3,000
March: Regular Conference Vocational Agricultural Education, A. P. Williams, 1523 L Street NW., Washington, D. C.	25	May 4-7: Association for Childhood Education, Mrs. George Hughes, 2311 Connecticut Avenue, Washington, D. C.	5,000
March: National Fireworks Council, T. F. Gunneen, 1615 H Street NW., Washington, D. C.	60	May 11-13, Loyal Ladies of the Arcanum, Mrs. A. Beebe, 58 Meadow Road, Longmeadow, Mass.	200
March: B'nai B'rith District Grand Lodge, No. 5, Ed. L. Levy, 1205 East Cary Street, Richmond, Va.		May 12-14: National League of Masonic Clubs, A. B. Eaton, 808 Land Title Building, Philadelphia, Pa.	
Mar. 1: Concrete Masonry Association, Jack Franklin, 7071 Plankinton Boulevard, Milwaukee, Wis.	250	May 14: Order Founders and Patriots of America General Court, R. Hawkins, 476 Hawthorne Avenue, Yonkers, N. Y.	60
Mar. 7-9: Engraved Stationery Manufacturers Association, T. A. Isert, 2011 Fisk Building, New York City.	150	May 16-19: Sons of American Revolution, F. B. Steele, 1227 Sixteenth Street NW., Washington, D. C.	350
Mar. 7-10: Southern Association of Vocational Workers in Agriculture and Home Economics, J. Wright, 1523 L Street NW., Washington, D. C.		May 23-25: International Association of Piano Tuners, Mary C. Gubbins, Box 1239, Detroit, Mich.	500
Mar. 7-11: Federal Board for Vocational Education, trade and industrial, southern and north Atlantic regions, J. C. Wright, 1523 L Street NW., Washington, D. C.	250	May 29-30: Independent Order B'nai B'rith Sholom of Baltimore, Nathan Plotnick, convention chairman, 2931 Tilden Street.	500
Mar. 14-15: Motion Picture Theatre Owners of America, M. J. O'Toole, 1600 Broadway, New York City.		June: National Association for Advancement Colored People, W. White, 69 Fifth Avenue, New York City.	300
March 28: Association of Civic Service Club Executives, C. E. Roth, 1362 Perkiomen Avenue, Reading, Pa.		June: Alpha Chi Sigma, J. Kuebler, 5503 East Washington Street, Indianapolis, Ind.	100
Spring: Seventh-Day Adventists Spring Council, Rev. C. K. Meyers, Takoma Park, Washington, D. C.	400	June: National Wholesale Jewelers Association, George A. Fernley, 505 Arch Street, Philadelphia, Pa.	300
Spring: National Council of Primary Education, Miss M. Leeper, 1201 Sixteenth Street NW., Washington, D. C.	800	June: American Business Clubs, H. Blankenbiller, 508 Pennsylvania Avenue, West, Reading, Pa.	250
Spring: American Guild Banjoists, Mandolinists, and Guitarists, Miss S. Harvey, 1801 Columbia Road, Washington, D. C.	300	June: Independent Order of B'rith Sholom, M. O. Levy, 506 Pine Street, Philadelphia, Pa.	500
Spring: American Institute of Architects, Producers Club, J. C. Webb, 19 West Forty-fourth Street, New York, N. Y.		June 1-8: World's Geological Congress, H. Ferguson, Department Interior Building, Washington, D. C.	1,000
March or April: Warrant Officers Association, United States Army National Council, Thomas Lafferty, Box 317, Pennsylvania Avenue station, room 3150, Munitions Building, Washington, D. C., president.	50-100	June 7: Funeral Benefit Association of the United States, H. Walter, 5521 Germantown Avenue, Philadelphia, Pa.	300
		June 7-10: National Conference on Weights and Measures, F. S. Holbrook, Bureau of Standards, Washington, D. C.	300
		June 12-15: American Institute of Homeopathy, Dr. George Boericke, 235 North Fifteenth Street, Philadelphia, Pa.	750
		June 14-15: National Association Certified Public Accountants, J. R. Hutchinson, 1340 New York Avenue, Washington, D. C.	400

	Estimated attendance		Estimated attendance
June 14-16: International Association Comptroller and Accounting Officers, C. Chatters, Fidelity Trust Building, Detroit, Mich.	400	October: American Association of Superintendents of Dining Cars, F. R. Borger, 836 Federal Street, Chicago, Ill.	100
June 17-18: American Radio Relay League, Atlantic division, Miss E. M. Zandonini, 3633 Everett Street NW., Washington, D. C.	350	Oct. 1: Tau Beta Pi Fraternity, Theodore Bishoff, 1607 East Capitol Street, Washington, D. C.	200
June 20-24: Royal Order of Scottish Clans, T. R. P. Gibb, 248 Boylston Street, Boston, Mass.	400	Week of Oct. 3: National Safety Council, W. H. Cameron, Civic Opera Building, 20 North Wacker Drive, Chicago, Ill., secretary	8,000
June, third week: National Homeopathic Women's Medical Fraternity, Dr. M. E. Coffin, Wabash Building, Pittsburgh, Pa.		Oct. 4-6: Association Feed Control Officials of United States, secretary, L. E. Bopst, College Park, Md.	100
June 21-25: National Retail Credit Association, C. H. Hulse, 1218 Olive Street, St. Louis, Mo.	1,000	Oct. 11: Knights of Golden Eagle, Supreme Castle, W. Anton, 814 North Broad Street, Philadelphia, Pa.	150
June or July: World Wide Baraca and Philathea Union, C. Conrad, 907 Fifteenth Street NW., Washington, D. C.	1,000	Oct. 12: Association of Waterline Accounting Officers, W. R. Evans, P. O. Box 987, Buffalo, N. Y.	35
July 3-4: United Spanish War Veterans, Department of Potomac, J. H. Green, 922 Green Street, Portsmouth, Va.	200	Oct. 18: Pennsylvania League of District Postmasters, Charles A. Benner, Farrandville, Pa.	
July 3-5: Boone Family Association, W. B. Douglass, 1638 Rhode Island Avenue NW., Washington, D. C.	1,000	Oct. 20-21: American Clan Gregor Society, M. Magruder, 5562 Hobart Street, Pittsburgh, Pa.	200
July 3-5: American Order of Pioneers (Inc.), W. B. Douglass, 1638 Rhode Island Avenue NW., Washington, D. C.	5,000	November: Alpha Iota Sorority, Elizabeth Hullerman, 625 Sixth Avenue, Des Moines, Iowa.	200
August: Massachusetts Chiropody Association, W. H. Horn, 59 Temple Place, Boston, Mass.	300	November: American Association of State Highway Officials, W. Markham, 1222 National Press Building, Washington, D. C.	500
August: Gamma Sigma Fraternity, William B. Hales, secretary, 3623 Fourth Street NW., Washington, D. C.	300	Nov. 14-24: World Conference International Peace Through Religion, Dr. H. A. Atkinson, 70 Fifth Avenue, New York City	
August: International Association of Printing House Craftsmen, L. M. Augustine, secretary, 3117 White Avenue, Hamilton, Baltimore, Md.	800	December: American Institute of Chemical Engineers, Frederic J. LeMaistre, Bellevue Court Building, Philadelphia, Pa.	400
August: National Association of Chiropodists, A. R. Morley, 607 Fifth Avenue, New York City	500	December 3-5: National Warm Air Heating and Ventilating Association, A. Williams, 3440 A. I. U. Building, Columbus, Ohio	300
August: Knights of Columbus, D. J. Callahan, supreme treasurer, 508 Woodward Building, city	10,000	December 26-30: Association of American Geographers, O. E. Baker, Department of Agriculture, Division of Agricultural Economics, Washington	300
August: Society of Philatelic Americans, William Lycett, 1221 Washington Street, Cape May, N. J.	150	December 26-30: National Council of Geography Teachers, Miss Zoe Thralls, care of University of Pittsburgh, Pittsburgh, Pa.	100
August: Patriotic Order Sons of American State Conference, W. J. Heaps, 310 West Hoffman Street, Baltimore, Md.		December 27-30: Music Teachers National Association, Donald M. Swarthout, University of Kansas, Lawrence, Kans.	500
August: International Printing Supply Salesmen's Guild, Thomas Croker, president, Boston, Mass.	200	December 27-30: Phi Mu Alpha Fraternity, C. E. Lutton, 64 East Jackson Boulevard, Chicago, Ill.	100
Aug. 15: Grand United Order of Odd Fellows (negro), J. Nedham, Twelfth and Spruce Streets, Philadelphia, Pa.		December 27-30: National Association of Schools of Music, Earl Moore, University of Michigan, Ann Arbor, Mich.	75
Aug. 15-19: Memorial Craftsmen of America, Lester E. Harris, 4750 Sheridan Road, Chicago, Ill., secretary; H. J. Pirie, 448 New York Avenue NW., Washington, D. C., local contact	1,500	1932: American Public Health Association and Conventions in conjunction, 450 Seventh Avenue, New York, N. Y., Dr. K. Emerson	3,000
Aug. 25-26: Order United American Men National Council, Charles S. Nagle, 7245 Ogontz Avenue, Philadelphia, Pa.	100	1932: Maryland, Delaware, and District of Columbia Jewelers Association, E. A. Danis, 831 Market Street, Wilmington, Del.	300
Fall: National League of District Postmasters, Mrs. V. H. Stonesifer, 1430 Chapin Street NW., Washington, D. C.	1,500-2,000	1932: Cast Stone Institute, C. Walker, 33 West Grand Avenue, Chicago, Ill.	50
Fall: Federal Wholesale Druggist Association, R. Williamson, 123 Market Place, Baltimore, Md.	150	1932: Guild of Prescription Opticians, H. Shimwell, 1916 Pennsylvania Avenue, Brookline, Pa.	150
September: Shepherds of Bethlehem of North America, Charles E. Carr, Sixth and Pennsylvania Streets, room 202 Publications Building, Camden, N. J.	600	1932: Columbian Library Association, Mrs. H. Steinbarger, Mount Pleasant branch Public Library, Washington, D. C.	
September: American Bar Association, William P. McCracken, 1138 North Dearborn Street, Chicago, Ill.	5,000	1932: Army and Navy Legion of Valor of United States of America, George Faivall, Steelton, Pa.	250
September: National Association of Attorney Generals, Ed. Averill, State Capitol, Hartford, Conn.	50	1932: American Peace Society, A. D. Call, 734 Jackson Place, Washington, D. C.	2,000
September: International Association of Public Employment Officials, B. C. Seiple, 8 City Hall, Cleveland, Ohio.	125	1932: American Institute of Refrigeration, J. Nickerson, 435 North Waller Avenue, Chicago, Ill.	100
Sept. 2-3: American Soybean Association, J. B. Edmondson, Clayton, Ind.	2,000	1932: American Civic Association, Miss H. James, 902 Union Trust Building, Washington, D. C.	
Sept. 3-5: Alpha Sigma Lambda, W. L. Culkin, 1922 South Thirty-fourth Street, Omaha, Nebr.	500	1932: Centennial Legion, Maj. W. Wells, 412 Barristers Hall, Boston, Mass.	8,000
Sept. 6: Independent Order of Rechabites High Tent National Association, J. R. Mahoney, 333 C Street SE., Washington, D. C.	100	May 3-7, 1932: American Society of Mammalogists, F. Harper, 206 Dickinson Avenue, Swarthmore, Pa.	75
Sept. 12-14: Northern Nut Growers Association (Inc.), Karl W. Green, care of Allen Property Custodian, Tower Building, Washington, D. C.	75-100	1932: American Society for Clinical Investigation, Dr. C. Sturgis, Simpson Memorial Institute, Ann Arbor, Mich.	300
Sept. 19-24: Conference of Commissioners of Uniform State Law, J. H. Voorhees, 1140 North Dearborn Street, Chicago, Ill.	125	1932: Conference of State Sanitary Engineers, R. Tarbett, C Building, 16 Seventh Street SW., Washington, D. C.	50
Sept. 24: World's Congress Convention of Occult World, Vera Beye, box 3124, Boston, Mass.	1,000	1932: Clerical Alumni Association of Catholic University, Rev. Dr. Maurice Sheehy, Catholic University, Washington, D. C.	
Sept. 27: Independent Order Daughters of St. George, Mrs. Ada Stevanson, 11 South Hilder Street, Lowell, Mass.	200	1932: American Racing Pigeon Union, W. F. Dismar, 3124 Fourteenth Street, Washington, D. C.	
October: American Association Zoological Parks and Aquariums, R. Conant, Toledo Zoo, Toledo, Ohio.	150		
October: American Institute Park Executives and American Park Society, W. Walker, 224 Wakewa Avenue, South Bend, Ind.	400		
October: American Association of School Physicians, W. A. Howe, M. D., State Education Building, Albany, N. Y.			
October: American Association of Engineers, M. E. McIver, eighth floor, Willoughby Tower, Chicago, Ill.	400		
October: Delta Omega (honorary public health), Ira V. Hiscock, 310 Cedar Street, New Haven, Conn.	100		
October: Capital district convention, Kiwanis Club, Henry Converse, district governor, Harrisonburg, Va.	800		

RECONSTRUCTION FINANCE BILL

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 99 and ask that the same be reported.

The SPEAKER. The gentleman from Alabama calls up a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 99

Resolved, That immediately upon the adoption of this resolution it shall be in order for the House to go into Committee of the Whole House on the state of the Union, under the general rules of the House, for the consideration of H. R. 7360, entitled "A bill to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes."

General debate, which shall be confined to the bill, to be limited to eight hours—one half to be controlled by the chairman of the Committee on Banking and Currency and the other half by the ranking minority member. At the conclusion of the consideration of the bill under the 5-minute rule the previous question shall be considered as ordered.

Mr. PURNELL. Mr. Speaker, will the gentleman from Alabama yield me some time?

Mr. BANKHEAD. I would like to inquire how much time the gentleman wishes to use.

Mr. PURNELL. I wish the gentleman would yield me the usual 30 minutes, and I promise to be as saving of time as possible. There is no opposition to the rule on this side, so far as I know, and I think we ought to get down to the consideration of the bill promptly.

Mr. BANKHEAD. I shall be pleased to yield to the gentleman 30 minutes, and shall reserve 30 minutes myself.

The SPEAKER. The gentleman from Alabama is recognized.

Mr. BANKHEAD. Mr. Speaker, it is my purpose only to make a very brief statement with reference to the resolution. I think I am in the same attitude as most Members of the House in confessing almost total ignorance of the provisions of the bill that is to be considered under the resolution, if adopted.

The Committee on Banking and Currency, I understand, has exercised every possible expedition; in fact, has been working under forced draft, if I may use that term, to get this bill presented to the House for its consideration. This course has been pursued by the committee because of the earnest recommendation, as I understand it, of the Chief Executive that this bill involves matters of extreme importance to all the people of the country as emergency legislation.

The resolution itself contains no unique features. It simply provides that upon the adoption of the resolution it shall be in order for the House to resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill under the general rules of the House. There is, of course, no limitation on the offering of amendments or any other restriction upon a full consideration of all the details of the bill. General debate is to continue for eight hours, one-half of which is to be controlled by the chairman of the committee, the gentleman from Alabama [Mr. STEAGALL], and the other half by the ranking minority member, the gentleman from Pennsylvania [Mr. McFADDEN]. At the conclusion of the consideration of the bill under the 5-minute rule the previous question is to be considered as ordered.

I think this is all I care to say about the rule. There was no dissent in the committee as to the provisions of the bill. It was a unanimous report, and as I am informed this morning, the bill to be considered has practically the unanimous indorsement of the Committee on Banking and Currency, with possibly some minor exceptions. So, gentlemen, without consuming further time, I merely trust that at the end of the debate on the rule it will be adopted, so that we may proceed to the consideration of the bill. [Applause.]

I yield now to the gentleman from Indiana [Mr. PURNELL].

Mr. PURNELL. Mr. Speaker, there is no disposition, as far as I know, to delay the adoption of this resolution on this side of the aisle. I hope it will be adopted soon and that we shall immediately begin general debate leading to the consideration and final adoption of the measure which this resolution makes in order. I have only one request so far for time on this side. The gentleman from Iowa [Mr. RAMSEYER] desires to discuss some features of the bill, and I yield to him 10 minutes.

Mr. RAMSEYER. Mr. Speaker, I have asked for this time because last Saturday, after the Reconstruction Finance Corporation bill was reported, two Members came to me, one from each party, for my opinion on the constitutionality of one provision in this bill. That is the provision conferring on the Speaker of the House the power to appoint two members of the board of directors.

The bill before us is H. R. 7360, and provides for the establishment of a Reconstruction Finance Corporation with a capital of \$500,000,000 to be subscribed by the United States of America.

In section 3 it provides that the management of the corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, the Secretary of Agriculture, the Governor of the Federal Reserve Board, two persons appointed by the President of the United States, and two persons appointed by the Speaker of the House of Representatives by and with the advice and consent of the Senate.

The question presented is whether the appointment of two persons by the Speaker is an encroachment by the legislative branch on the executive branch of the Government.

The constitutional provisions we must consider are: Article I, section 1, which reads that—

All legislative powers herein granted shall be vested in a Congress of the United States.

Article II, section 1, of the Constitution reads:

The executive power shall be vested in a President of the United States of America.

Article II, section 2, paragraph 2, provides that—

He [the President] shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

In section 3 of Article II, we have this provision:

He (the President) shall take care that the laws be faithfully executed.

The question of the power of the President to appoint and remove was very exhaustively gone into in the case of *Myers v. United States* (272 U. S. 52). In that case the constitutionality of a statute was involved which required, for the removal of a postmaster, the consent of the Senate. President Wilson removed the postmaster, without the consent of the Senate, and the case came to the Supreme Court and was there decided in favor of the action of the President.

Mr. STEAGALL. Will the gentleman yield?

Mr. RAMSEYER. I yield.

Mr. STEAGALL. I call the gentleman's attention to the fact that the officers to be appointed under this bill are officers of a corporation, and are officers of a corporation like any other corporation.

Mr. RAMSEYER. All right. I am coming to that point. This is a Government corporation, and financed by the Government. That, I think, is definitely settled in *Springer et al. v. Government of the Philippine Islands* (277 U. S. 189), which was decided May 14, 1928. In that case the Philippine Legislature created a coal company and a bank, the stock of which was largely owned by the Philippine government. The law provided for a board of control to manage the corporation, consisting of the Governor General, the president of the senate, and the speaker of the house of representatives. In this case the attempt to repose in legislative officers executive functions was held unconstitutional.

I have not time to read this whole case to you, but the issue raised in this Philippine case was identical with the one raised in this bill; that is, taking away from the Executive the appointment of directors of a Government corporation, the capital stock of which is to be subscribed by the Government, the same as in the Philippine case, and placing the appointment of two directors in the Speaker of the House of Representatives.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. STEVENSON. How does the gentleman distinguish this corporation which is financed by the Government from

the farm-land banks to which we gave \$100,000,000 of the Government's money the other day, in which the President has never had the right to appoint any directors, which is not provided for in the supplementary legislation?

Mr. RAMSEYER. The whole Federal land-bank system is in charge of a board which is appointed by the President. If the gentleman will let me proceed, I think I can convince him and others that this provision in the bill placing the appointment of two directors in the Speaker of this House is clearly unconstitutional. The gentleman does not claim that this proposition before us here is different from the proposition presented in the Philippine case, does he?

Mr. STEVENSON. Entirely so.

Mr. RAMSEYER. The gentleman is entirely mistaken. I shall read a couple of paragraphs on pages 201 and 202 from this case of Springer against the Government of the Philippine Islands. I wanted to discuss this issue before we get into the heat of debate, so Members may consider this issue calmly and dispassionately. I am sure they do not want to write a provision in the bill that is clearly unconstitutional and which the Supreme Court on a similar state of facts has held to be unconstitutional. I now read beginning at the bottom of page 201, as follows:

It may be stated then as a general rule inherent in the American constitutional system that unless otherwise expressly provided, or incidental to the powers conferred, the legislature can not exercise either executive or judicial power; the executive can not exercise either legislative or judicial power; the judiciary can not exercise either executive or legislative power.

The Congress is vested with the legislative power. It makes the law. Congress does not execute the law. The executive power is vested in the President. The persons who execute the laws come under the executive branch of the Government and under the Constitution must be appointed by the President. It is the duty of the President to see that the laws are faithfully executed.

I read further from this decision:

The existence in the various constitutions of occasional provisions expressly giving to one of the departments powers which, by their nature, otherwise would fall within the general scope of the authority of another department emphasizes, rather than casts doubt upon, the generally inviolate character of this basic rule.

The legislative power, as distinguished from the executive power, is the authority to make laws but not to enforce them or appoint the agents charged with the duty of such enforcement. The latter are executive functions. It is unnecessary to enlarge further upon the general subject, since it has so recently received the full consideration of this court. (*Meyers v. The United States*, 272 U. S. 52.)

One of the members of the committee, who called upon me last Saturday and to whom I expressed the opinion that this provision is unconstitutional, cited the law establishing the Smithsonian Institution. Even that is referred to and answered by the court in this decision. I now read from page 204:

But it is argued further that Congress, in creating corporations for governmental purposes, has sometimes devolved the voting power in such corporations upon persons other than executive officers. In the case of the Smithsonian Institution, cited as an example, Congress provided for a governing board of regents, composed in part of Members of the Senate and the House. There are two or three other instances in respect of nonstock organizations of like character. On the other hand, as pointed out by the Solicitor General, in the case of governmentally organized or controlled stock corporations, Congress has uniformly recognized the executive authority in their management, generally providing in express terms that the shares shall be voted by an executive officer, and in no instance attempting to grant such power to one or more of its members. Many instances of this kind are cited by the Solicitor General, but it is not necessary to repeat his enumeration. It is enough to say that, when we consider the limited number of acts of Congress which fall within the first class spoken of above, as well as the peculiar character of the institutions dealt with, and the contrary attitude of Congress toward corporations of a different character, such acts can not be regarded as lending support to a construction of the Constitution which would justify congressional legislation like that here involved.

In this Philippine case there was a Government corporation to be financed out of Government funds, and a committee of three was designated to manage this corporation, consisting of the Governor General, the president of the senate, and the speaker of the house of representatives.

Under the provisions of this bill we are about to consider to-day a Government corporation is created, all of the capital of which is subscribed by the United States Government.

It provides for a board of seven directors, appointed as I have already stated. The appointment of two of these directors is taken away from the Executive and placed in the hands of the Speaker of the House. In this case I have cited the Supreme Court held the act unconstitutional as an encroachment upon Executive power.

The organic act of the Philippine Islands, in so far as defining the powers of the legislative, executive, and judicial branches is concerned, is identical with our own Constitution and with the constitutions of the various States.

I call this Philippine case to the attention of the Members, and if there is any doubt in Members' minds about my conclusion I hope that Members will read it and satisfy themselves.

Mr. BANKHEAD. Will the gentleman yield?

Mr. RAMSEYER. I yield.

Mr. BANKHEAD. I have not had an opportunity to read the decision which the gentleman has quoted, but by what method was this question of the constitutionality of the act raised?

Mr. RAMSEYER. I think in proceedings in the nature of quo warranto to test the right of the president of the senate and the speaker of the house to act.

Mr. BANKHEAD. Did it allow the Governor General to remain as one of the directors?

Mr. RAMSEYER. Of course, that is not involved. He is the executive of the Philippine Islands, just as the President is the Executive, under the Constitution, of the United States and its possessions.

Mr. BANKHEAD. I understand this is a decision of the Supreme Court of the United States.

Mr. RAMSEYER. A decision of the Supreme Court of the United States; yes.

Mr. BLANTON. Will the gentleman yield?

Mr. RAMSEYER. I yield for a question.

Mr. BLANTON. The logic of the gentleman would apply equally as well against Congress naming the Secretary of the Treasury as a member of the board, because the President might not see fit to so appoint him.

Mr. RAMSEYER. Not at all. That is merely giving that officer additional duties. Then, too, the President appoints and can remove the Secretary of the Treasury.

The SPEAKER. The time of the gentleman from Iowa [Mr. RAMSEYER] has expired.

Mr. PURNELL. I yield three minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, while I fully agree with the gentleman from Iowa [Mr. RAMSEYER] in respect to the phase of the matter to which he has addressed himself, I would call the attention of the House to another serious consideration. If this bill is passed, containing a provision which clearly is the subject of legal controversy, we shall put it in the power of any opponent of the legislation to take the matter into the courts. This is an emergency bill. The life of the corporation is restricted. It is of vital consequence to the country that it shall go into operation at the earliest possible moment. To permit an opportunity to raise a constitutional question might delay and even thwart the whole purpose of this bill.

Therefore, regardless of whether we may take one side or the other of the constitutional argument, it is evidently unwise to give opportunity for carrying the matter into the courts.

Mr. COX. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. COX. The gentleman has raised a very serious question for the consideration of the House. The gentleman does not combat the proposal, as I understand, that Congress has the right to name the administrative officer, as it is sought to do in this particular case? In other words, if I understand the gentleman, Congress would have the right to name the Speaker as a member of the board, but

not to empower the Speaker to appoint members. Is that the position which the gentleman takes?

Mr. LUCE. I have not faced the aspect of the matter brought up by the gentleman's question. What I clearly think is that Congress has no right to give such appointing power as this to the presiding officer of either branch, and I also think that to give it to but one branch endangers the proposal in another.

Mr. COX. But does not the gentleman concede that Congress may exercise appointing power in that it exercises power to name as it has done here, naming the Secretary of Agriculture, and so on?

Mr. LUCE. As I said, I have not given that study.

Mr. BANKHEAD. Mr. Speaker, I yield 15 minutes, or so much thereof as may be necessary, to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, the question that has been raised is an important one. Although I am not a constitutional lawyer, yet I am of the opinion that the case cited by the gentleman from Iowa [Mr. RAMSEYER] is not "on all fours" with this case. In view of the fact that Congress has the right to incorporate in the bill the incorporators and at the same time create or make them directors, the Congress also has the right and power, I claim, to name the directors of such institution or corporation or vest that power in the Speaker, if it so desires.

The bill H. R. 6996, which I introduced, gave absolute power to Congress to name all of the incorporators and directors. I am sure the gentleman from Iowa [Mr. RAMSEYER] and the gentleman from Maine [Mr. BEEBY] would not attempt to argue that the Congress did not have that power. Consequently, if there should be any question at all I shall insist that my original plan and proposition—naming the directors and the board directly in the bill—should be adopted by Congress. I am confident that men which my bill designates as members of the board, or whom the Speaker would designate, will be men of such character, standing, and reputation that the country would immediately have confidence in the institution. It is maintained by even the proponents of this measure representing the President and the administration that what is needed is confidence. As I stated to the committee, and as I repeat again, it seems to me that the people have lost confidence in our Executive. Many charges have been made, due to the fact that in all important matters he has taken counsel from—yes, has been influenced by—the international bankers and from men who have not the interests of the country at heart. Therefore I feel that my original proposition, that the House should name the directors, would be well received by the people of this Nation.

This is an extremely important bill, and I am in favor of its passage, notwithstanding that some provisions of great value and benefit in my bill have been eliminated, but the underlying principles remain. Unfortunately, the power given to the directors is so tremendous that I feel it is absolutely necessary that men not only of ability but of unimpeachable character and reputation be chosen as directors, as otherwise I fear that the President may appoint a board that again will be influenced by the recommendations of the banking and railroad interests and that will disregard the general aid that was provided for and contemplated by me in my bill.

But, Mr. Speaker, ladies, and gentlemen, I do not wish to dwell upon that proposition any longer. I wish now to speak shortly on the resolution for special rule. It is a great satisfaction to me to know that there is no Republican in this House who raises his voice against it, and, justly, no one can do so. It is a liberal rule, giving the House full power to consider this important legislation without any restrictions whatever. Oh, what a difference from the rules which were submitted by the Rules Committee of the Republican Party, rules which completely abrogated the rights of the Members of this House. But this being such a liberal rule, it is impossible to raise any

valid objection to it, and therefore I will take up the bill that this resolution makes in order.

I have observed, Mr. Speaker, ladies, and gentlemen, the clamor on the part of some of the Republicans and the President for this legislation. I have noticed the headlines in the Republican newspapers, demanding immediate action and criticizing Congress for not passing this legislation on the very first day of the session.

Mr. Speaker, ladies, and gentlemen, for nearly two long years I have pleaded, I have begged, I have advised, and I have urged the President and his Republican administration to pay some attention to the deplorable conditions existing in our country. I have advocated this and other legislation, which the President in his message, after two years, finally approves and recommends.

Mr. Speaker, ladies, and gentlemen, it is indeed to be deplored that the very interests and the very men who advised Congress to adjourn and go home are now the very men and the very interests who demand immediate action from Congress. In the near future I shall personally pay my compliments to these interests and to this element who have year in and year out attacked the integrity of the House; who desire to legislative only through the Executive, because they know that legislation recommended by him will be best suited their purposes.

The bill which I introduced on the first day of the session to create this corporation differs to some extent from the administration measure or the bill that was finally approved by the committee. However, I am satisfied that the bill before us is in certain respects an improvement upon my bill, as well as upon the administration bill. However, I greatly regret that the amount which has been recommended by the administration, namely, \$500,000,000, as the capital stock of this corporation should have been accepted. I have advocated and my bill provided for \$1,000,000,000, with the power to extend this, by the issuance of bonds, to \$5,000,000,000.

If we read the evidence that has been presented before the Senate committee, as well as the House committee, I am satisfied that the amount provided as the capital, \$500,000,000, is not sufficient. If we desire by this legislation to create confidence in the Nation, I feel the amount should have been large enough to meet any and all demands that are being made, that will be made, and that will be required to reconstruct the business and finances of the United States.

This bill, same as the administration bill, is called a reconstruction measure. I designated my bill as the National Relief Finance Corporation, and I believe that would be a proper title. But I do not object to the name of reconstruction, because it clearly demonstrates that something has been destroyed and must be reconstructed. It being destroyed, may I ask by whom? Naturally, by the Republican administration, and therefore they concede that the only agency that can reconstruct will be the Democratic House, by enacting this legislation which, to some extent, I believe, will relieve the situation and improve the existing deplorable conditions.

Now, Mr. Speaker, ladies, and gentlemen, it is amazing to hear some of the Republicans and the administration clamoring for haste and for action. As I have stated, I began to demand nearly two years ago such legislation as well as the broadening of the power of the Federal Reserve Board so as to enable it to accept for rediscount paper and securities held by the 2,400 banks, which, since then, have been forced to close.

And on December 9, 1929, on the floor of this House, I attacked the unscrupulous manipulators on our stock exchanges and demanded legislation for suspension of short selling and "bear raiding," and, furthermore, pointed out the approaching danger due to the fact that the reduced value of securities as well as commodities would have detrimental effect upon the affairs of our financial institutions and commerce of the Nation; therefore, to save the banks and thousands of depositors I advocated the extension of

the power of the Federal reserve system so as to give the banks an opportunity to rediscount some of their securities and make them available as collateral in their respective banks, and then in turn enable the banks to rediscount them under my proposed plan.

At that time it was my opinion that to relieve conditions and to retard, as I remarked, the fast-approaching crisis, it was necessary to work swiftly, and so I began to advocate the establishment of a corporation similar to the War Finance Corporation, after which this bill is patterned; but my advice, appeals, and recommendations were ignored by President Hoover and the Republican Congress. I am satisfied that if my recommendations prohibiting short selling and "bear raiding," extending the power of the Federal reserve banks, and creating this corporation were acted upon at that time, many of the 2,400 banks which have failed would still be in existence, the 6,000,000 depositors would not have suffered the loss of their life savings, nor would there be \$2,000,000,000 tied up in the closed banks.

Mr. Speaker, if we had had a President in the White House at that time who was uncontrolled by Wall Street financiers and investment bankers there is no question in my mind that steps would have been taken to safeguard the interests of the country banks and the millions of depositors, and there would not be 8,000,000 men out of employment to-day and would be no necessity for raising large funds on the part of the city and State, yes, private charitable organizations, to feed the hungry and starving people. Unfortunately, President Hoover could not see or was not permitted to see the fast-approaching danger.

Mr. Speaker, ladies, and gentlemen, during the last session of Congress I again made repeated efforts to secure consideration for relief legislation, and again I was unsuccessful. The Republican Party, being in control of both Houses, refused to act, whereupon, immediately after adjournment in March, a general demand was made throughout the entire country that a special session of Congress be called. The press, business, as well as labor organizations and thousands upon thousands of men and women continued their demands for a special session, but the President remained deaf to these appeals.

There are many people in the country who feel and charge that his inactivity was deliberate—that he desired to delay and postpone any action, so that when something would be done it would come close to the convention and to the election. It is charged, therefore, that he has played politics at the expense and to the detriment of the country and millions of starving people in the Nation.

Mr. BLANTON. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. BLANTON. If the President had made it possible for Congress six or eight months ago to have passed proper relief measures, he could have obviated and prevented the failure of all of the scores of prominent banks that have been failing all over the country, everywhere—is not that correct?

Mr. SABATH. That is correct.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. SABATH. I yield to my colleague.

Mr. CHINDBLOM. And if this resolution had been passed six weeks ago, it might have done some good then? Why not be fair about it?

Mr. SABATH. I am, but ask you to be fair, and I will put the question right back to my colleague: Do you as a Member of this House think that it could have been passed six weeks ago? I put the gentleman on his honor for answer.

Mr. CHINDBLOM. I am not so sure, but I know we wasted last week, and we could have used last week.

Mr. SABATH. The gentleman can not answer that, and he knows it could not have been done, because Congress convened only five weeks ago. Let me say to my colleague that never in its history has Congress enacted more important legislation in the few days it has been in session than this Democratic House. [Applause.] I defy my scholarly col-

league to bring the record of any previous Congress which has enacted more important legislation in that short space of time than this Congress has.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. SABATH. I can not yield now. I will yield later on, if I have the time.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. SABATH. In reply to the question as to whether this should have been done before or not, I will answer affirmatively. We could, yes; we should have passed it a year ago, or at least three months ago if the President had called a special session as he was requested by many Democratic Senators and Members. When I learned that the President had invited the Speaker, or it might be the next President—and I would be happy if it should be—to a conference in Washington, I immediately, on October 6, wired him as follows:

HON. JOHN N. GARNER:

I read in to-day's papers that after a secret conference with the Wall Street bankers, the President is calling a conference of Democratic Members for the purpose of binding them to the Wall Street formulated program. As you know, the Federal Reserve Board, under the domineering influence of Wall Street, has miserably failed, and was in a great measure responsible for the complete demoralization of our industries and banking institutions. I, therefore, suggest that you do not bind the liberal and progressive Democrats to any Wall Street formulated program.

Demand that a special session of Congress be immediately called for the purpose of relieving conditions and to reestablish confidence. People have lost faith in President Hoover and his administration and are clamoring for action to save millions of people out of employment and out of food. Will demand the establishment of a \$5,000,000,000 prosperity finance corporation to be managed by financiers uncontrolled by Wall Street destructive forces. Will also demand increase in income and inheritance tax and immediate liberalization of the Volstead Act.

I received this answer from the Speaker on the very same day. This is addressed to me and reads as follows:

Telegram received. Greatly appreciate your clear-cut analysis of situation. Have no intention of binding myself nor of attempting to bind Democratic Members of House. Concur fully in your view that situation justifies calling special session.

JNO. N. GARNER.

[Applause.]

Within the following day the newspapers were filled with President Hoover's \$500,000,000 private bankers' pool, which was another clever New York-international financiers' scheme, and I immediately issued the following statement:

The publicity given to the recent Hooverian proposal with regard to the creation of a private bankers' pool has originally tended to encircle the plan, in the minds of the people, with a halo it does not rightfully deserve. For the entire plan has been exposed by the press as a rather naive scheme to relieve the large holders of railroad securities.

I doubt very seriously whether this scheme, evolved by Wall Street financiers primarily for their benefit, will ever materialize. No unbiased observer can help but see that it would be foolhardy for banks to invest their shrunken liquid funds in a corporation controlled by a few. It would not be presumptuous to think, therefore, that the corporation would exist solely for the benefit of Wall Street.

But whether it materializes or not, I will persist in my demands, and I am preparing such a bill for the creation of a Federal agency to deal with the serious situation practically and efficiently. I have often suggested that there be created a Federal Finance Corporation, capitalized for \$1,000,000,000, with the power to issue bonds to the extent of five times its capital structure. Such an institution would not be difficult to create if the over-subscription of the Federal bond issues be a criterion.

Unlike the Wall Street-Hooverian pool, my proposal would not strain to a great extent the banks of the country, nor would it cost the Government anything; in fact, it would probably result in a profit. A Federal institution of this kind would bring liquid money into every business, emancipate banking from its troubles, and, particularly, bring aid to the small bank where it is most needed. I am satisfied that this plan, coupled with a broader rediscount power on the part of the Federal Reserve Board, would relieve not only the banks and make for a clearer perspective toward things but would be a positive blessing to all of the insurance companies and municipalities and to the business of the Nation in general.

It is because of these and other reasons that I have appealed to the President to call a special session of Congress. My appeals, however, go unheeded. What possible excuse can there be for the

President's refusal to call a special session? Conditions require it. If it be politics, then something should be done so that political differences do not retard the Nation's attainment of happiness and prosperity. If it be collusion between the party in power and Wall Street—and it is more than idle rumor which states that the Hooverian pool is a reciprocation for the extension of the moratorium and the cancellation of the European war debts—then it is a candid admission by the administration that it is solely concerned with giving aid to foreign nations and is indifferent to the best interests and welfare of our country.

Therefore, instead of groping around like the administration, trying everything but accomplishing nothing, the Nation's only salvation at this trying crisis is to call immediately a special session of Congress.

Mr. BLANTON. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. BLANTON. And the President of the United States and the distinguished gentleman from Illinois [Mr. CHINDBLOM] know that important bills involving important policies have to be submitted to the proper committees and subjected to proper hearings and receive orderly consideration before they can be passed in the House.

Mr. SABATH. Yes; but does not the gentleman know that some of the Republicans do not care to scrutinize any proposed legislation that the special interests desire or anything that may place the Democratic Party in an embarrassing position; and, as a matter of fact, they have nothing to criticize except to state that we have acted slowly, when, as a matter of fact, never before in our history has the House acted more speedily upon recommendations of the President or upon measures that might relieve the millions out of employment and the millions of suffering people in this country due to the neglect of the Republican President and the Republican Party. [Applause.]

Mr. CHINDBLOM. Will the gentleman yield now?

Mr. SABATH. Yes; I will yield now.

Mr. CHINDBLOM. The bill now before the House was introduced on January 9, 1932, but the legislation was introduced in the House on December 9, 1931, and, of course, the matter has been receiving consideration since that time.

Mr. SABATH. But it has required one week to select and approve the committee and, consequently, no action has been possible. But immediately after the organization of the Banking and Currency Committee it began to hold hearings on the land bank bill, and within 10 days reported this important bill, and shortly afterwards the House passed it. The same bill is still reposing in the Senate, presided over by a Republican Vice President, and in his absence by the great Republican leader from New Hampshire, of the "sons of wild jackasses" renown; but the House Banking and Currency Committee, as soon as the land bank relief bill passed in the House, began to consider the bill H. R. 5060 and my bills, H. R. 5116 and H. R. 6996, and has heard many witnesses. It has given the matter continuous consideration, and not only public hearings were held but executive session, due to the alarming evidence that was presented as to the financial situation of our country.

Mr. Speaker, ladies, and gentlemen, if my colleague and others would examine the administration bill and the committee's bill, he will be obliged to concede that it did require a great deal of time on the part of the committee to reconstruct this reconstruction bill so as to eliminate all the loopholes and to safeguard the interests of the people.

I feel that important legislation like this should be carefully and seriously considered, and this my colleague knows; therefore, I am compelled again to say that the clamor for haste is only for political reasons.

Mr. Speaker, ladies, and gentlemen, my time is nearly up and I am about to conclude, but before doing so I would wish to reiterate that this legislation can and will be of great benefit to the Nation and should have the effect of reestablishing confidence; but it can also be made a banker and railroad measure, and this I would greatly deplore. After all, it will depend upon the caliber of the directors who will be appointed. I realize this and I have provided that this House should select the directors and embody in my bill, H. R. 6996, that the directors should be composed

of the Secretary of the Treasury; Calvin Coolidge, of Massachusetts; William G. McAdoo, of California; Alfred E. Smith, of New York; and Eugene E. Stevens, of Illinois, who is the chairman of the seventh Federal reserve district. My motive in submitting these names was for the purpose of securing the outstanding men in whom the Nation would have confidence to manage this extraordinary institution. Therefore, I regret that the committee has not seen fit to follow my plan and permit the House to select five members instead of giving the President the power to appoint two and the Speaker the power to appoint the other two.

I realize that this in a measure is a concession to my plan and will at least force the appointment on the part of the President of men who are uncontrolled by the financial interests which have caused in great measure the deplorable conditions in this country. That the Speaker will appoint men above reproach and unquestioned integrity and high ability—that I am satisfied of. Therefore, I hope that the provisions giving the Speaker the right to appoint two Members in the bill, regardless of the constitutional question raised by the gentleman from Iowa, will be given consideration. I greatly regret that some of the other provisions have not been adopted by the committee, as, for example, extending the same privilege to the municipalities that now find themselves on the verge of bankruptcy; and I give notice that when the bill is called, I will offer such an amendment, and I am hopeful that it will be adopted.

What Mayor James Walker, of New York, has stated about the situation existing in New York applies also to the city of Chicago and to many other municipalities—conditions that can not be ignored by the House.

The time does not permit me to explain the provisions of the bill as I have hoped to; therefore I will embody in my remarks the report of the Banking and Currency Committee, and I am inserting it for the information of the Members and the country at large, feeling that it accurately explains the bill. [Applause.]

The measure provides for the creation of a corporation with capital stock of \$500,000,000, to be subscribed by the Treasury of the United States, with a board of directors, to be composed of the Secretary of the Treasury, the Governor of the Federal Reserve Board, the Secretary of Agriculture, and four directors, two of whom shall be appointed by the President of the United States and two of whom shall be appointed by the Speaker of the House of Representatives, and who shall be confirmed by the Senate. The term of office of the directors of the corporation is fixed at five years and the salary prescribed is \$10,000 each. The corporation is authorized to issue its obligations to an amount aggregating not more than three times its subscribed capital, which obligations are to mature not more than five years from their dates of issue and which are guaranteed by the Treasury of the United States. The corporation is authorized to make loans for a period of one year and the President is authorized to extend the time for making loans one additional year. The obligations issued by the corporation are to be exempt from all taxation, except surtaxes, estate, inheritance, and gift taxes. It is provided that loans that may be made shall not exceed 10 per cent of the capital and obligations which the corporation is authorized to issue, and it is provided that the corporation shall not make any loans upon foreign securities or for carrying or liquidating such securities or acceptances.

The purpose of the bill, as indicated by the title, is to provide emergency financing facilities for financial institutions to aid in financing agriculture, commerce, and industry, and for other purposes. The necessity for such relief is recognized on all hands. Agriculture is suffering to a point that has alarmed all students of public affairs. The farmers of the country are borne down by the burdens of debt and taxation. Thousands of them face the loss of their homes and complete bankruptcy. Trade and commerce have been curtailed, and industry in many instances has collapsed. A prime underlying cause of all this is the disintegration of our banking system.

The records show that there have been during the year just ended 2,290 bank failures, with deposits of \$1,759,000,000. Of these failures, 410 were national banks with deposits of \$473,000,000. One hundred and eight State banks that were members of the Federal reserve system suspended business, with deposits of \$302,000,000. During the last quarter of 1931 there were 1,049 bank failures, 199 of which were national banks and 51 of which were State banks that were members of the Federal reserve system. During the month of October, 1931, there were 522 bank failures, 100 of which were national banks and 25 of which were State banks that were members of the Federal reserve system. During the month of December, 1931, there were 353 bank failures, 64 of which were national banks and 18 were State banks that were members of the Federal reserve system. Failures are still occurring in large numbers. During the month

of December the failing banks that were members of the Federal reserve system had deposits of \$133,000,000.

The best advices are that the net losses to depositors in failed banks will average about 50 per cent. There are, of course, no definite figures on the subject, but this estimate may be accepted as fairly reliable. The total net losses by depositors in national banks and banks that were members of the Federal reserve system from the enactment of the national banking law down to 1930 was about \$80,000,000—an amount not far in excess of the total net losses of depositors incurred during the single year of 1931. These figures tell the story of what is happening to the banking structure of the United States. It presents an emergency that demands swift and effective action if relief is to be afforded in time to prevent most serious and far-reaching developments. The outstanding difficulty that confronts us springs from the loss of confidence and the general state of fear that has been created. Meantime the banks that are members of the Federal reserve system find themselves without such paper to offer for rediscount as the Federal reserve banks will accept. State banks that are members of the Federal reserve system are in the same situation, and State banks that are not members of the Federal reserve system are in the midst of practical difficulties equally as unfortunate, if not worse.

These developments have resulted in tying up deposits in large amounts, destruction of confidence, the breaking down of local credit facilities, widespread depreciation in values, and general demoralization of business. This has unquestionably had a part in bringing about the widespread depression from which we are suffering, and regardless of other remedies we must have an improvement in our banking system before we may expect a return of normal conditions in economic affairs.

Many of the banks to which reference has been made are entirely solvent, but not in position to liquidate their holdings nor to take care of their liability to depositors in the present situation unless something is done to provide accommodations or to relieve the present disturbed state of mind on the part of the public. The credit facilities provided in H. R. 7360, if the measure is administered wisely and well, will unquestionably afford relief to many banks that are worthy of credit but unable to command necessary accommodations that are afforded in normal times. In addition to the relief which is sought to be furnished to other institutions the bill provides for loans upon the assets of any banks that are closed, insolvent, or in process of liquidation to aid in the reorganization or liquidation of such banks. It is hoped this provision will afford some measure of relief to communities that have been deprived of normal banking accommodations and aid such communities in the struggle for economic recovery.

The railroads of the country have been seriously affected in their revenues by the slackening of business, causing tremendous decreases in their freight loadings and income, as well as in their passenger traffic. The state of the financial market also affects their ability to refinance maturities that are coming due and in some instances pressing. There are some railroads who were in the course of construction, having made substantial progress with a certificate of necessity from the Interstate Commerce Commission and financing themselves without difficulty until the collapse of the security market, which has in a few instances left projects, apparently necessary and helpful to the public if completed, in an incomplete condition. The maturities of 128 Class I roads which fall due during the first quarter of 1932 are as follows: Bonds, \$2,677,550; loans and bills payable, which include bank loans, \$35,984,395; equipment trust obligations, \$35,560,820. The making for the first quarter, \$70,299,513, and the total amount of maturities during the year 1932 is \$110,782,506.

Under the present market conditions it is impossible for these to be refinanced, and there is danger of disaster overtaking the transportation system if they are not afforded some relief. They are, therefore, provided for in this bill when, in the opinion of the board of directors of the corporation, such railroads or railways are unable to obtain funds upon responsible terms through banking channels or from the general public, and the corporation will be adequately secure. The loans are limited in terms to the same terms as loans to banking and other financial institutions, and can only be made upon approval of the Interstate Commerce Commission. The committee is of the opinion that the aid promised them in this legislation will probably enable them to secure financial accommodation elsewhere in large part, but the importance of the transportation system of the country is such that it would be calamitous for the country if a collapse in that system should be projected by the conditions recited.

Insurance companies throughout the country are confronted with unprecedented applications for loans by their policyholders. To meet these conditions the insurance companies are compelled to sell their securities to take care of such loans and to pay losses. The measure under consideration provides a method of affording some degree of relief in this connection, where the public welfare requires.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the passage of the resolution.

The resolution was agreed to.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the consideration of the bill (H. R. 7360) to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7360, with Mr. WARREN in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill, which the Clerk will read.

The Clerk read the title of the bill, as follows:

H. R. 7360, to provide emergency financial facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. Under the rule the gentleman from Alabama [Mr. STEAGALL] is recognized for one hour.

Mr. STEAGALL. Mr. Chairman, the Committee on Banking and Currency have worked at all hours for the past week when our presence was not required on the floor of the House during the day, and most of the time far into the night, in our efforts to expedite the consideration of this bill. We began hearings on it before the Federal land bank bill was passed. That bill was passed on Saturday, the 19th of December. I am one of those who urged an extra session of Congress following the conference at the White House in October. I still think it would have been much better had that course been pursued—

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. GOLDSBOROUGH. Is it not a fact that the administration asked the committee to consider the land bank bill first?

Mr. STEAGALL. The fact is that the chairman of the Committee on Banking and Currency desired to take up the consideration of the bill to relieve the Federal land banks as the first important work of the session. That purpose represented at least the attitude and feeling of the chairman of the Committee on Banking and Currency as to the program to be outlined for the session.

In that connection I will say that I appreciate the activities of Members of the House who have expressed more or less impatience in the matter of the preparation of the bill now before us. But if they will direct their efforts toward concluding the legislation now pending in the Senate, which is designed to afford relief to the farmers of the country, who find themselves unable to meet their installments on their mortgages to the Federal land banks without sacrificing their homes, they will win my gratitude. I do not know of any work of the Congress more necessary or important than that. [Applause.]

Now that there can no longer be found cause for impatience with the Committee on Banking and Currency in connection with the measure at present under consideration, I hope gentlemen will renew their interest and impatience and direct it toward getting action on the other bill to which I have referred. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BLANTON. It should be understood that that bill for the relief of Federal land banks was passed by the House on December 19 and was immediately messaged over to another legislative body that is within the control of the President and his Republican Party.

Mr. DYER. Oh, the gentleman knows that that is not so. He makes a facetious remark, as the Senate is not controlled by the Republican Party.

Mr. BLANTON. It is not in the control of the Democratic Party. The Republican Vice President presides over it, and

a majority of its Members were elected on Republican tickets.

Mr. DYER. I do not think it is under any real control by any party.

Mr. BLANTON. Republicans claim domination of it. The controlling party is other than the Democratic Party, and it has held the bill unpassed since December 19, and to-day is the 11th day of January.

Mr. SABATH. The majority in the Senate is Republican.

Mr. BLANTON. Yes. Certainly.

Mr. DYER. I deny that that is the fact.

Mr. STEAGALL. Now, if we may proceed with the business before the committee, I will resume my discussion of the bill under consideration. This is probably the most important and far-reaching measure that will receive consideration at the hands of the present Congress.

It represents a departure from the principles and policies to which we have adhered through the years. This is due to developments which have created profound concern on the part of all who are clothed with responsibility during this unfortunate period.

Agriculture began its downward slide some 10 years ago. The farmers are borne down by debt, interest charges, and taxes. Their mortgage indebtedness has increased vastly. Thousands and thousands of them are threatened with bankruptcy and with the loss of their homes. The value of the Nation's farm products has shrunk \$2,500,000,000 since 1930 and \$5,000,000,000 since 1929.

This has left the farm population of the country where all they can make must go to pay on their debts, with nothing left to buy the things needed for use in their daily life. This means, of course, that factories can not run because they can not withstand the loss of 50,000,000 customers. This has brought an enormous decline in the value of land, as well as the products of farms and factories. The commerce of the country is upset and threatens to collapse. Our foreign trade has become disrupted and in large part destroyed. Our foreign trade fell off \$2,379,000,000 in 1931. Since 1929 our foreign trade has fallen off \$5,092,000,000, a decline of 50 per cent in the period of two years. The railroads and railways of the country are confronted with losses in operation, the curtailment of business and income, with a decline in the value of their securities that has brought them face to face with a situation where they can not obtain the accommodations in the credit world that are necessary for their operation.

The value of their stocks and bonds and other assets—and these securities are scattered throughout the country—in the hands of the public and the banks—in the life-insurance companies and other investors. They are maturities of the railroads and railways which they are unable to protect in the existing situation—and unfortunately there has been very little indication of improvement of late. The life-insurance companies are confronted with unprecedented demands for loans, and they must be able to realize on their investments if they are to continue to protect their obligations to their policyholders, both in the matter of losses and in responding to demands for loans.

The banks of the country have suffered throughout this period of falling prices, loss in values, depreciation in securities, and the general demoralization of the entire economic structure of the country—agricultural, industrial, and commercial. It is rather delicate to attempt to discuss in detail the conditions that confront us in connection with our banking system.

Mr. LaGUARDIA. Why? Will the gentleman yield?

Mr. STEAGALL. The gentleman from New York is too well informed to question the correctness of the statement I have just made. He knows the timidity of capital and credit and the fear that exists on every hand at this time. Some of the hearings in connection with this legislation have been held in executive session because of the fact to which I have called attention. But this much is of record and known to all men, that the banking system in many sections of the country as it has existed in the past and with the capacity to serve in the way in which we have been trained

in our business pursuits has broken down. There have been in the last year, 1931, 2,290 bank failures in the United States, involving deposits of \$1,759,000,000. Of this number 410 are national banks, with deposits of \$473,000,000, and 108 were State banks, members of the Federal reserve system, with deposits of \$302,000,000. I am not going into full details in this connection. I am only touching the high points. In one month during the year 1931, 522 bank failures occurred, with deposits of \$478,000,000. I refer to October, 1931.

Some references have been made to-day to what took place in the Capital of the Nation on various occasions during the month of October, 1931. That is the record of bank failures in the United States during the month of October, 1931. Of that number 99 were national banks with deposits of \$128,000,000 and 26 were State banks that were members of the Federal reserve system, with deposits of \$37,000,000.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. WOODRUFF. I do not want to divert the gentleman, but I desire some information which I think he can give me. He stated that during the past year there had been a certain number of bank failures, involving deposits of \$1,759,000,000. Can the gentleman inform the committee what percentage of those deposits had been withdrawn by the depositors before the banks closed their doors?

Mr. STEAGALL. I take it that the figures here, which are furnished by the office of the Comptroller of the Currency, give the total of the deposits as disclosed by the examination at the time of the closing of these banks. This, I am confident, is true as to members of the Federal reserve system and, no doubt, also as to State banks. I have not made specific inquiry at the comptroller's office, but I am quite sure that is the fact, because any other method of calculation would be misleading.

Mr. WOODRUFF. I have heard different estimates placed upon the percentage of sums that had been withdrawn from the banks up to the time they closed. Does the gentleman believe that by calling the comptroller's office we can get the information that I am trying to secure?

Mr. STEAGALL. I think the gentleman already has it, in the figures I have cited, but I shall be glad to have the statement corrected if it is erroneous. I am not insisting that it is accurate. I feel sure that it is, but I could be mistaken.

I have not made specific inquiry on that point, but I hardly see how the comptroller would put out figures on any other basis than the condition of the banks at the time they closed. To base a statement on any other method of calculation would be to accentuate and give unnecessary emphasis and alarm to the situation, which, of course, all of us, and especially the comptroller, would naturally deplore; so I take it there can be no doubt that these figures are based on the disclosures made by the examiners at the time these banks were closed.

Mr. WOODRUFF. I think the gentleman is correct, but I have an idea that somewhere in the comptroller's department there is somebody who is interested enough in this particular proposition to examine the reports of the various banking institutions at some time prior to the time they closed their doors. The difference between the amount of deposits at the time the banks closed and the amounts shown by the previous annual reports would approximately be the amount of withdrawals.

Mr. STEAGALL. That would involve quite a study of the various figures. I feel sure they based it all on the last statement of the banks, which, of course, so far as the national banks are concerned, would give a complete account of the figures at the time of that statement. The gentleman, I am sure, will find these figures are based on the report of the examiners at the time the banks were closed.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. LAGUARDIA. Is it not true that the runs and withdrawals from the banks, as a general proposition, took place when the public learned of the impairment of these banks by reason of their depreciated securities and reserves, and that the condition was not brought about by the withdrawal of deposits?

Mr. STEAGALL. Of course, as a rule, the closing of banks is preceded by the withdrawal of deposits, in some cases amounting to a run, as we call it, and in many other cases, of course, a steady withdrawal, gradually absorbing the cash balances of the bank, but not amounting to a run.

Mr. LAGUARDIA. But if a bank is solvent and liquid it can meet those withdrawals.

Mr. STEAGALL. Well, the gentleman will hardly insist upon the accuracy of that statement. Any individual or institution may be perfectly solvent but utterly without power to meet existing obligations in cash. Of course, if they were liquid, as the term is applied to banks, they could meet any withdrawals, even though they might be abnormal. But I will say to the gentleman I hardly think his statement is fully justified. All business and all business rules are founded upon experience and upon the test of years in the ordinary course of human affairs and when a bank has lived up to the lessons taught by experience and the lessons of business throughout a long period of years, the directors of the institution can not be found at fault if an economic cyclone strikes the country with such force that they are unable to meet it under the machinery set up as a result of the wisdom accumulated by experience.

Mr. HOLADAY. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. HOLADAY. I hope the gentleman will discuss some time during his remarks what effect, if any, there is on bank failures of the policy of the Comptroller of Currency in recommending and urging, and in some cases almost amounting to coercing, the banks to buy ordinary domestic and foreign bonds and curtail their local loans. What effect, if any, has that had on bank failures? I would like to have the gentleman discuss that some time during his remarks.

Mr. STEAGALL. The gentleman will understand that an answer to that inquiry would not be very helpful in the consideration of this particular legislation. I am not sure that I am prepared to give the gentleman just the information he desires for the reason that it involves a statement of the conduct of the office of the Comptroller of the Currency in connection with the absorption of holdings of the type to which the gentleman referred, by the banks of the country. I should not like to make a statement in that connection without having the record upon which to base it and with which to fortify it.

There has been from some sources, among those in positions of control, virtual insistence that the banks throughout the Nation should invest in securities which it was insisted were liquid, as distinguished from normal loans usually extended by community banks to their patrons. I think that unquestionably that was a mistake; and, if the gentleman desires it, I could say more on that point. Of course, we have had a great deal of voluntary leadership imposed upon the community banks of the United States in recent years. Many men who were looked upon as leaders in the banking world have set themselves up as critics of the great mass of banking officials scattered throughout agricultural sections and in charge of community banks, even to the point of having questioned the ability and competency of the banking officials in small towns and cities, men who grew up with the business, industrial, and commercial life of communities until they reached positions of leadership that come to officials of banks. These officials are men who know their people personally and have the knowledge of securities and conditions that is made possible only from intimate contact.

In my statement to the committee to-day I do not want to enter to any great extent into a discussion of general affairs but I will say to my friend, because I think I know what is in the gentleman's mind, the higher-ups in the banking world in the United States can no longer stand be-

fore any man and claim a monopoly of wisdom in banking affairs. [Applause.]

We have now come to the time when even an ordinary Congressman, with a little common sense and experience, may be permitted to express an opinion on the subject of banking without being laughed at and ridiculed out of court. [Applause and laughter.]

I do not mean to be unkind in any of my references, but some of the leaders have gone so far as to lay down the broad proposition that the average community or town of less than 10,000 population does not embrace in its citizenship men of sufficient competency to be trusted with the conduct of a bank adapted to the service and demands of that community.

That does not apply to all of them, but we have been confronted with that insistence on various occasions in our committee. I think perhaps that is another thing that has passed away and with which we are not likely to be confronted again! As a matter of fact, the big banks—the Wall Street institutions—replenish their banking experience every year from the interior small towns and communities of the United States. That is where they get their ablest leadership and their best brains!

Mr. SIROVICH. Will the gentleman yield?

Mr. STEAGALL. I yield to the distinguished gentleman from New York.

Mr. SIROVICH. Our distinguished colleague from New York [Mr. LAGUARDIA] asked the gentleman a question about what was the contributing factor toward the cause of runs on banks. I would like to tell the distinguished gentleman that according to the national laws every national bank must be examined twice a year.

Then the national-bank examiners examine the banks. Every bank is compelled by law to publish its statement three times a year in the newspapers. When they give out the capital, the surplus, the reserves, the undivided profits, the secured loans, the unsecured loans and bonds the public has an opportunity to judge the real and actual conditions of all banks. Later on the national-bank examiner submits his report to the Comptroller of Currency, who makes that bank wipe out from its reserve, from its bonds, the depreciated values, the losses from unsecured loans, the losses on collateral loans. When people read the report of the bank given out six months before, and when they see the present report, with losses in surplus, undivided profits, lost reserves, and so forth, they feel that the stability of the bank has been impaired, and that causes the run on the bank.

Mr. STEAGALL. Of course, that is often what occurs.

Mr. LAGUARDIA. Does not the gentleman believe that the depositors have the right to know the condition of that bank?

Mr. SIROVICH. Exactly.

Mr. MICHENER. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MICHENER. What the gentleman says is correct. Is it not also correct that the people are in a nervous condition? In my district four or five banks closed this year, which were entirely solvent, so pronounced by the bank examiners, but banks had failed in near-by cities and people did not look for the report. They simply proceeded to take their money out. That is the trouble throughout the country, is it not?

Mr. STEAGALL. Unfortunately that is more or less true. I will say this in connection with what my distinguished friend from New York has just said I do not think that in most cases any criticism can be lodged against the office of the Comptroller of the Currency in the matter of the policies and rules enforced by that office in the examination of these banks. As far as I have observed—of course, having before me mainly the small banks of small towns—the comptroller's office has gone about the discharge of its responsibilities in a sympathetic and constructive way.

Gentlemen who are interested in developments in connection with the banking situation no doubt know of the recent action of the comptroller's office in undertaking to set up a sympathetic, helpful policy in the examination of banks

with respect to their bond holdings and other securities, and I have assurance from the comptroller's office that the same policy obtains with reference to the small banks in connection with their holdings based upon local credit.

Mr. DIES. Will the gentleman permit a question in connection with the bill? We know that the banks, or a great many of them, are broke, and we would like to get some information in regard to the bill. It reads this way—

Mr. STEAGALL. Will the gentleman withhold his inquiry until I go a little farther in my discussion?

Mr. DIES. We want to get to the bill. I think some of us would like to ask some questions on the bill.

Mr. STEAGALL. I want to finish what I have to say in connection with some more figures touching banks that have fallen into liquidation, but before doing that I desire to yield to the gentleman from Pennsylvania, a member of the committee and its former chairman.

Mr. McFADDEN. I am very much interested in the statement which the gentleman has been making as regards the operation of country banks. I want to call attention to the fact that most of this is due to the classification of eligible paper, a provision which was put in the Federal reserve act. I mean by that that the country banks were told by that provision in the law that they must keep themselves in a liquid condition through having eligible paper at all times. The activities of the Federal reserve system in operation and the activities of the supervision of the banks have all been to admonish the small country banks in particular to keep themselves in a liquid condition. It has been said to them: Why loan money to farmers and local people who do not pay their notes on the date of maturity? Why not buy bonds? Why not buy foreign bonds? Why not buy bonds issued through investment banking houses in New York and elsewhere? That is the reason why you have banks loaded to-day with that class of depreciated securities and local people are going without assistance from your community banks. [Applause.] I wanted to make that observation.

Mr. STEAGALL. I think the gentleman's statement is justified. I undertook to say something to that effect myself. But the worst trouble with the whole banking situation is the general distress, the universal decline in values, and the loss of confidence on the part of the public in the banks of the country. [Applause.] I do not care how solvent a bank is; if the community which constitutes its patrons has no confidence in it, such a bank can not do business under any rules yet known for the conduct of banks.

Mr. SIROVICH. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. SIROVICH. Is it not a matter of fact, after what I stated, that if we had guaranteed bank deposits, we would never have had any difficulty or trouble?

Mr. STEAGALL. The gentleman has touched upon a subject that tempts me to enter into a discussion that would hardly be of value, as a practical proposition, in connection with this particular legislation. Of course, the purpose of this bill is to guarantee deposits, although we have not said so. The bill does not have that language in it, but the purpose of this bill is to provide the funds necessary in particular cases to enable banks to respond to their liability on their obligations, both as directly incurred in the banking world and their obligations to their depositors. An important part of the work to be accomplished by this bill is to restore confidence and to give assurance to depositors that they need no longer rush to the banks to get their funds out in the fear that the banks will not be able to function normally and to meet their obligations.

Mr. WHITE. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. WHITE. Does the committee intend that this shall provide funds beyond the solvency of the banks?

Mr. STEAGALL. No; it does not. The purpose is to aid by loans on solvent securities but which are not liquid.

Mr. WHITE. I can not see, then, how it could guarantee deposits.

Mr. STEAGALL. I did not enlarge upon that particular thought as I might have done in connection with some of

the questions that have been propounded but, of course, we understand that all the banks carry in their portfolios securities upon which they can not and upon which they have never been expected to realize upon short notice. All they have ever been required to do is to adopt sound rules, found to be sound in the light of experience. National banks for a long time have been authorized to make loans on real estate.

I will say in this connection that some of the leading bankers of the country—some of the most conservative bankers whom I have the pleasure of knowing—came before our committee insisting upon an enlargement of the privilege of loans upon real estate on the part of the national banks of the country. There happened to be one humble Representative from a farmer-borrowing community of the United States who opposed any enlargement of that power on the part of the national banks because he thought, as he told the banking leaders, it was an unsound thing to do. Experience has always shown that real estate constitutes a source of danger to any bank whose business rests upon deposits, creating a liability to which a bank should always be ready to respond so far as conditions may be anticipated under normal circumstances.

In connection with what my friend from New York [Mr. SIROVICH] has said—

Mr. RAYBURN. If the gentleman will permit, does the gentleman intend, after he has made a general statement, to take up the bill in detail?

Mr. STEAGALL. Certainly.

Mr. RAYBURN. Then I would like to ask the gentleman a question, but I would prefer to have the gentleman proceed until that time.

Mr. STEAGALL. I am not going to take much more time, but I will say to my friend the gentleman from New York [Mr. SIROVICH], who is one of our brilliant Members, whom we admire and whose opinion we value highly, I am interested in the matter of guaranty of bank deposits, and if the House will indulge me a moment or two I will devote just a little time to the gentleman's suggestion.

The original Federal reserve law, as it passed the Senate of the United States, contained a provision for the guaranty of deposits of insolvent banks that are members of the Federal reserve system, to be paid out of the funds to be accumulated through the earnings of the system.

I will say in this connection that this was the Senate of 1913. The illustrious statesman from Mississippi, John Sharp Williams, who served his country with great honor both in the House and in the Senate, was the author of that provision in the original Federal reserve act as passed by the Senate. This provision was stricken from the act in conference. The provision was new. They were attempting to blaze a new trail, to make progress, to reach high ground in affording safe and proper banking facilities for the people of the country. Those who were responsible for that legislation were confronted on every hand with dire predictions and criticisms on the part of many men high up in the banking world. So the provision to which I have referred as being incorporated in the bill in the Senate went out in conference as a result of the appeal that they might be loading the bill down with burdens that the system might not be able to carry.

It was feared that the earnings of the Federal reserve banks would not be sufficient to undertake that responsibility. The fact is, contrary to many expectations, the Federal reserve system has made net profits amounting to more than \$500,000,000. This leaves out of the calculation all their building expenditures and other large expense accounts. They have paid, in round numbers, \$150,000,000 into the Federal Treasury as a franchise tax. The balance has been passed to surplus account.

In this connection I will say that the total net losses to depositors in national banks for the first 60 years of the operation of the national banking law amounted to less than \$50,000,000. The total net losses to depositors in national banks, up to the end of the fiscal year 1930, amounted to just a little more than \$80,000,000.

Mr. SIROVICH. In other words, the profits of the Federal reserve system would have paid every depositor 100 cents on the dollar?

Mr. STEAGALL. Every man may reach his own conclusion. There might be differences of opinion, but certain it is that the burden for the Federal reserve system would not have been so great as was feared at the time the act was passed. This is a safe statement to make. It is my opinion that deposits in insolvent banks should have been taken care of without difficulty out of the earnings of the Federal reserve banks. I have introduced bills embodying such a provision in several former sessions of Congress. I have no doubt that such an act, if passed years ago, would have saved us from much of the distress that has come about through the failure of insolvent banks, and solvent banks as well, that failed because of the fear on the part of the public that deposits were not safe.

The difficulties are different now. They have been multiplied. We face a different problem. The total net losses to depositors in insolvent banks are estimated to amount to about 50 per cent, and this is probably the best judgment on the subject, although it is not practicable to get accurate figures down to date. This is the best opinion on the subject and is fairly reliable. To show you how the picture has changed, the total deposits in failed banks in the Federal reserve system, both national and State member banks, for the month of December, 1931, alone amount to \$133,000,000, involving almost as high an amount of net losses to depositors as was shown over a period of 60 years under the operation of the original national banking law. The total deposits in failed banks, national banks, and members banks for the year 1931 amounted to just a little under \$800,000,000. So that for the last year the net losses to depositors must have been in the neighborhood of \$400,000,000.

I give these figures in response to the desire of the gentlemen who are particularly interested in that phase of the banking situation. I must not devote further time to it now.

Mr. SIROVICH. But that only includes national banks and State member banks; how about the banks that are not members of the Federal reserve system?

Mr. McCORMACK. If the gentleman will permit, I have some information on that.

Mr. STEAGALL. I am leaving them out of the calculation, I will say to my distinguished friend from New York, because in all our consideration of that subject we have proceeded upon the idea that as a practical proposition anything that the Congress or the Federal Government might do in connection with an attempt to afford relief would be limited to national banks and State banks that are members of the Federal reserve system.

Mr. SIROVICH. Does the gentleman realize that if he included those banks, the losses would be over \$1,000,000,000 for the year 1931?

Mr. STEAGALL. The gentleman is not quite accurate in his figures. He is giving the total amount of the deposits, and they do not represent the final loss to depositors.

Mr. SIROVICH. If you figure a 50 per cent loss, it would amount to \$1,000,000,000.

Mr. STEAGALL. It may be that I have not all the figures in my mind, but my recollection is that the total deposits for 1931 was \$1,759,000,000, and that something around \$800,000,000 were represented by deposits in the National and State banks of the Federal reserve system. Those are the figures in round numbers.

Mr. McCORMACK. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. McCORMACK. In connection with the failure of the member banks during December, I received this morning information from the Comptroller of the Currency that during December there was a failure of 64 national banks, with an aggregate deposit of \$100,000,000, and 289 State banks, with an aggregate deposit of \$119,000,000.

Mr. STEAGALL. The gentleman is correct, and in my haste I may have referred to the total of all banks rather than the number of national and State banks.

Now, I hope, gentlemen, that I may be permitted to get down to the provisions of the bill under consideration.

Mr. GREEN. Will the gentleman yield right there?

Mr. STEAGALL. I yield to the gentleman.

Mr. GREEN. We have in our State a number of banks that have gone into the hands of the receiver. I was wondering if any of the provisions of this bill would, if passed, give us any benefit.

Mr. STEAGALL. I will discuss that when we get to that part of the bill. But I will say that the bill provides in part for relief of the situation to which the gentleman calls attention.

Now, if I may proceed.

The thought and purpose of this bill are copied somewhat from the War Finance Corporation act, with which gentlemen are familiar, a corporation set up during the war, and which was revised in 1921. It was designed to help agricultural conditions in agricultural communities. It is accurate to say in that connection that many of us think the War Finance Corporation rendered good service to the farmer and the farm communities of the United States in providing credit facilities which had not theretofore been available to them.

The Committee on Banking and Currency had two or three bills that had been introduced. We had available some of the hearings that were conducted in the Senate on this legislation. The committee made a study of the question, which was made hurriedly, in view of the desire to extend aid as speedily as possible in meeting the emergency confronting us, and prepared a bill, which I introduced on last Saturday, H. R. 7360, the measure now before us.

Now, I want to take time in that connection to extend the thanks of the committee and this House to the distinguished gentleman from Illinois [Mr. SABATH] for his valuable aid to our committee in the preparation of this legislation. He had given it great study for many months, realizing the distress that existed, and his labors were of great value to the committee in the preparation of the bill which has been reported to the House. I am glad to pay this acknowledgment of the debt of gratitude of the committee and the House to the distinguished gentleman from Illinois [Mr. SABATH]. [Applause.]

The bill provides for the creation of a corporation with a capital stock of \$500,000,000, to be subscribed by the Treasury of the United States. The measure also authorizes the corporation to incur obligations in the form of bonds, notes, and other securities to the amount of three times the capital stock, and the Treasury of the United States is made directly responsible for all the obligations incurred.

So that what we have done is to set up a corporation with resources of \$2,000,000,000, to be furnished directly or indirectly by the Treasury of the United States.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. BRIGGS. In other words, the gentleman means to indicate that the total amount to \$2,000,000,000.

Mr. STEAGALL. That is correct, by way of capital stock and obligations which the corporation is authorized to incur.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. STEAGALL. Mr. Chairman, under the rule I have control of the time on our side and I shall yield myself more time.

The CHAIRMAN. The gentleman from Alabama will be recognized further.

Mr. CROSS. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes. I yield with pleasure.

Mr. CROSS. Why do indirectly in this bill what might be done directly? As I understand the bill, with the first \$500,000,000 the corporation can step across the street and loan it to A, for example. It then can go and give its note or bond to B and let that note draw any rate of interest it sees fit, or it can discount that note; and, for the sake of argument, let us say that they get \$450,000,000. They let

C have that. When B's note falls due and the corporation can not pay, B steps over to the Treasury of the United States and says, "I want my \$500,000,000 with interest on it." That is promptly paid out to him. Why not go to the Treasury in the first instance and save that interest or the loss of that commission.

Mr. STEAGALL. The thought is that all the funds made available under this act will not be required, and that there will not be any practical need for the total amount of \$2,000,000,000. We have before us the experience of the War Finance Corporation in peace times, and their loans, as I remember, did not exceed something in the neighborhood of \$200,000,000 at any one time. It is not thought that there will ever be an occasion to use the entire sum that might be employed by the corporation. The thought of those who propose this measure is that the greatest service to be rendered would be in the restoration of confidence.

Mr. CROSS. I understand that.

Mr. STEAGALL. It is their thought that the power of this board to grant relief will in large part obviate the necessity for actual loans. It is hoped that it will enlarge bank deposits by reviving confidence, and draw from hiding enormous amounts of cash withdrawn from the usual activities of business.

Mr. CROSS. Of course, we know what the hope is. I am asking these questions because I want information, as we have to vote on this bill. The bill provides that this committee can go out and buy without stint and by any process they see fit, property, real estate, throughout the Nation and employ unlimited employees, and pay salaries without stint, for instance, as much as the Farm Board pays, or the cooperatives, \$75,000 a year. With the Federal reserve banking system, with the post office, and the bank examiners, why could not this be handled directly, thus saving the setting up of all this enormous bureau and all these expenses, keep from creating a bureau that can become a power politically and financially and which once created can never be gotten rid of?

Mr. STEAGALL. Of course, the gentleman has made a good speech for those who agree with him as he always does, but if the gentleman will examine the bill he will find that he is laboring under a misapprehension as to its provisions. In the first place, the corporation exists for only one year, so far as its right to make loans is concerned, with the power in the President to extend it for one additional year. The Congress of the United States, representing the people of this country, will be in session then, with full power to renew the corporation or not, as in its wisdom it may see fit to do. I remind the gentleman also that the bill specifically limits the salaries that are to be paid to employees of the corporation. The salaries of the members of the board are fixed at \$10,000 each, and the bill specifically provides that no salary to be paid any person employed shall exceed that of a member of the board. The language of the bill, on page 3, lines 23 and 24, reads as follows:

Nor shall any employee receive a higher salary than that herein fixed for directors.

Furthermore, the gentleman is in error as to the power of the corporation to purchase real estate. The committee safeguarded the bill at that point also. There is no authority in the law for the corporation to purchase real estate. That, I think, fully answers the questions of my distinguished friend and very able colleague from Texas.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. JONES. I notice that there is included in the activities of this corporation agricultural credit corporations and the intermediate credit banks. We have carried a provision of that character in nearly every bill that came along but for some reason or other they have not functioned.

Is there any assurance that these provisions will not be a sort of dead letter, as they have been in a lot of other bills, that they will not be controlled by the same group that kept them from functioning heretofore?

Mr. STEAGALL. The gentleman is asking me to undertake a considerable underwriter's task. Of course, he refers to the Federal land banks and intermediate-credit banks. I am not prepared to say just what will be the action of particular agencies that have access to relief attempted to be afforded by this measure, but in so far as the committee of the House of Representatives has been able to do it, we have sought to accomplish what the gentleman has in mind in that connection.

Mr. JONES. I think the gentleman had that in mind and I think the House of Representatives has had that in mind, but may I ask the gentleman this question: If we are to profit by previous experience, would it not be well to allocate a portion of this to that particular purpose, so that it would have to go there instead of to some other place? Why not make it mandatory that agriculture get its part in the administration of the act?

Mr. STEAGALL. The purpose of this legislation is to grant the power and provide resources so that the different interests which we are attempting to serve may be assured that there is a place of refuge for them where they may be able to find adequate relief in the emergencies which confront them. If we were to attempt to specify each particular interest and allocate a particular amount to each interest we would run into stupendous difficulties, and when we finished we would find we would have restricted in each instance the service that might be rendered by this corporation if in the judgment of its board of directors it was desired to grant such service.

Mr. JONES. I appreciate the gentleman's position, but I would like to ask if the gentleman thinks this would restrict to anything like the degree it has been restricted by unfriendly administration heretofore the practical operation of those who have to administer the proposition as in these other instances? They have made similar provisions practically a dead letter and innocuous.

Mr. STEAGALL. A full and frank answer to the gentleman's inquiry would involve statements that probably neither the gentleman nor I would like to make on this floor, because the condition of a banking institution as to solvency is a delicate matter for public discussion; but I do not think it is improper to say that one of the difficulties with the intermediate credit banks last year in meeting the situation which it was sought to have them deal with through the special agencies set up at that time was that the intermediate credit banks were then in need of some such relief as we have attempted to provide in this bill. That is stating that case cautiously and conservatively, without going quite so far as I might.

Mr. JONES. It is the intention of the committee and the intention of this bill that they shall function?

Mr. STEAGALL. Yes, it is. It is the intention of this committee that this law shall carry its benefits to all interests, to all sections, and to all classes who have a right to share in the unusual provisions which it contains for aid from the Treasury of the United States.

Mr. JONES. I am glad to hear the gentleman say that, and I assume that he means there will be no discrimination against any of the institutions which have been named.

Mr. STEAGALL. Not in so far as we may be able to safeguard it by specific provisions of the legislation.

In that connection I will discuss that particular provision of the bill briefly. I read from section 5 of the bill:

To aid in financing agriculture, commerce, and industry, including facilitating the exportation of agricultural and other products, the corporation is organized and empowered to make loans, upon such terms and conditions not inconsistent with this act as it may determine, to any bank, savings bank, trust company, building and loan association, insurance company, intermediate credit bank, agricultural credit corporation, livestock credit corporation, and any agricultural or farmers' association incorporated under the laws of any State, or other bona fide financial institution in the United States, including loans secured by the assets of any bank that is closed, insolvent, or in process of liquidation, to aid in the reorganization or liquidation of such banks, upon application of the receiver or liquidating agent of such bank, and any receiver of any national bank is hereby authorized to contract for such loans and to pledge any assets of the bank for securing the same.

I think that language covers everything the gentleman has in mind.

Mr. JONES. If properly administered, it has the language. My only thought in making the suggestion to the gentleman was to know if there was any practical way of making an allocation, so that they would be compelled to administer it in accordance with the intention of the act.

Mr. STEAGALL. The gentleman, of course, understands if we begin to specify and to make allocations for certain interests there would be no end of difficulties.

Mr. JONES. That may be true; but this seems to be the only phase and the only group that has not been able to get the benefits of the previous acts. The others which have been named seem to always get in on the acts. Agriculture gets in on the language but not upon the results.

Mr. STEAGALL. I hardly think the gentleman's statement is fully justified there. The same bill that confers authority to relieve one situation confers specific authority to relieve the situation in which the gentleman and I are both deeply interested.

Mr. JONES. I understand. I think the language does it very clearly, but I say there should be some way provided so that they could not escape the proposition of treating them all fairly and alike.

Mr. STEAGALL. That is what the language of this bill does. It treats them all alike, and they will have a fund and they will have authority to go into the gentleman's district and into my district and afford relief to the intermediate credit banks and to the local agricultural credit corporation, through which the intermediate credit bank does business in part, and to the community banks in distress and that need aid, through which the intermediate credit banks do business, and afford the necessary funds to the intermediate credit banks to take care of the demands for credit facilities on the part of the farmers in his district and in my district, and similar situations elsewhere.

Mr. McFADDEN. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. McFADDEN. Supplementing what the gentleman has just said and the question asked by the gentleman from Texas [Mr. JONES], I desire to call the gentleman's attention to the third line on page 6 of the bill, where it reads:

All loans made under the foregoing provisions shall be fully and adequately secured.

I quote that as an answer to the gentleman's question, that in the operation of this organization and similar organizations, it has frequently been found that the poor farmer did not have assets to secure adequately and fully his loans, and therefore he was not within the pale of the law and did not get relief.

Mr. JONES. I grant you that, but the gentleman realizes that even to the extent he had adequate security the agricultural-credit associations and intermediate-credit banks have not participated.

Mr. McFADDEN. I quite agree with the gentleman, and I think the same thing will prevail under this bill; that nothing will be done to aid agriculture directly except the title of the bill.

Mr. JONES. Why will it fail?

Mr. McFADDEN. It will fail in administration because this is a bill created for the purpose of helping the banks and the railroads of the United States.

Mr. JONES. I am wondering if that is true, and that is what we are trying to find out.

Mr. LaGUARDIA. The gentleman has no doubt about it, has he?

Mr. JONES. I wanted to get these experts on finance to disclose the whole situation. I want the motives behind the proposals disclosed, and the real facts developed. No one can object to that.

Mr. LaGUARDIA. The gentleman wants experts on crooked banking and not experts on banking.

Mr. JONES. The gentleman speaks facetiously. That may be what I get, but it's not what I want.

Mr. SABATH. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. SABATH. Is it not a fact that the committee is trying to protect from discrimination the institution called to his attention by the gentleman from Texas in that it provides that at least two of the members of the board shall be selected by the Speaker, and that is for the purpose of preventing the institution from being utilized only by the banks and by the railroads? Is not that about correct?

Mr. STEAGALL. That provision will insure the appointment of two men to whom my friend will not object.

Mr. RAYBURN. If the gentleman will permit, let me say that when Congress passes any law and turns over its administration to a commission or a board, it matters not what is in the law, the administration of it and its results are just as good or just as bad as the board itself. [Applause.]

Mr. SABATH. That is the thing.

Mr. RAYBURN. That is true of the Federal Reserve Board. That board, with its vast authority, with proper men upon it can be an agency of great benefit but with improper men upon it, it can be an agency of greatest oppression.

Mr. STEAGALL. The same is true of the Federal Farm Loan Board and the same is true of the Federal Farm Board, and to some extent the same will be true of the board provided in the pending bill. I will say this in that connection, that I had hoped I might make my statement without talking politics or indulging in harsh criticism.

I grant you it puts me to a severe test, but I am hoping to conclude without departing from this purpose. However, in view of the fact that we are doing an unusual thing and resorting to unusual methods to meet an unusual condition in our effort to find relief in an emergency that threatens serious consequences to the economic structure of the country, we have sought in this measure to safeguard its administration which is commanding support on both sides of the House, we have sought to safeguard its administration by providing that two members of the board of directors shall be appointed by a Democrat—who holds and honors the highest office within the gift of the people under our scheme of government next to the Presidency of the United States—Hon. JOHN N. GARNER, Speaker of the House of Representatives. [Applause.]

If that provision stays in the bill I will venture to assure my friends on this side of the aisle that there will be two men on that board who will speak the language that the gentleman from Texas and I understand. [Applause.]

Mr. ALLGOOD. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. ALLGOOD. On page 6 of the bill this language appears:

All loans made under the foregoing provisions shall be fully and adequately secured.

Then there is this language on page 7:

In no case shall the aggregate amount of advances made under this section to any one corporation and its subsidiary or affiliated organizations exceed at any one time 10 per centum of (1) the authorized capital stock of the corporation plus (2) the aggregate amount of bonds of the corporation authorized to be outstanding when the capital stock is fully paid in.

Does the same provision apply to the first as to the second?

Mr. STEAGALL. Yes; that limitation applies to any loan that may be made. I will say this to the gentleman: That unless our faith is misplaced far beyond anything I fear there is really not any very serious necessity for the incorporation of that limitation in the legislation. If the conduct of the War Finance Corporation may be taken as a guide that limitation will never be necessary.

Mr. BROWNING. Will the gentlemen yield?

Mr. STEAGALL. Yes.

Mr. BROWNING. I desire to say to the gentleman from Texas [Mr. JONES] that on Saturday I introduced a bill carrying the same amount of money involved in this bill, incorporating the Federal Farm Loan Board and directing them to loan through intermediate credit banks directly to farmers on first mortgages. That will settle the proposition as to whether or not agriculture will get any real relief.

I hope to enlist the aid of the gentleman from Texas as well as the aid of the chairman of this committee in passing that bill.

Mr. STEAGALL. I can assure the distinguished gentleman his bill will be given careful consideration.

Mr. BOYLAN. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. BOYLAN. While I think the gentleman has brought in a very good bill, yet I think the scope should be extended in order to permit the corporation to loan to municipalities. At the present time they are having extreme difficulty in getting short-term loans, and have to pay very high rates of interest for them. Does not the gentleman think he should include them in the provisions of his bill, so that the corporation may make loans to the municipalities of the United States?

Mr. STEAGALL. Of course that would open up an opportunity for service the extent of which could not well be anticipated, and would present difficulties which we thought hazardous in the administration of this bill.

Mr. COX. Will the gentleman yield to me for a question touching a statement he made a few seconds ago?

Mr. STEAGALL. Let me first yield to the gentleman from Alabama, so that he may conclude his questions.

Mr. ALLGOOD. In connection with the inquiry I made, suppose we have a \$50,000 agricultural corporation in Alabama, how much could they borrow under this bill?

Mr. STEAGALL. It would depend entirely on the securities, the opportunity for service, the demands for loans from others, and all of the multifarious conditions that would naturally enter into such a transaction. So that nobody can say definitely what would be done, but they would be able to lend up to the amount of 10 per cent of the original capital of the corporation plus the obligations of a billion and a half which they are authorized to incur under the law.

Mr. BANKHEAD. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. BANKHEAD. As I understand the construction of this provision with reference to the limitation of loans, under the bill one corporation would be authorized to borrow 10 per cent of the total capital stock, which is \$500,000,000, plus \$1,500,000,000, if the board of directors saw fit to lend to one corporation that amount of money.

Mr. STEAGALL. That is true.

Mr. BANKHEAD. And it is also true that all of this money up to the sum of \$2,000,000,000 could be lent to the railroads or to the banks or to any other one class of people, if the directors saw fit to do so.

Mr. STEAGALL. Quite true.

Mr. BANKHEAD. So that in the last analysis the statement made by the gentleman from Texas is a correct solution of this question so far as the allocation of these funds is concerned.

Mr. STEAGALL. That is entirely true.

I may say this: One member of the committee, of course, approaches this legislation from one viewpoint and another member approaches it from another viewpoint. To some extent all of us represent as best we can the interests of our constituencies. What I have tried to do, so far as my part in the preparation of this bill has gone, is to give the interests that have the greatest appeal to me my first consideration, as is usually the case with a member of a committee in framing legislation. Other members no doubt have done the same. We have selected the group of interests that are to have access to these funds for relief, and we have put them upon terms of equality in the bill, and if any interest does not receive fair consideration it will be the fault of the administration of the bill, just as the gentleman has said.

What I have had in mind, probably more than anything else, because of the peculiar conditions that exist in my immediate section, is the hope that we may carry some relief to those who are dependent upon the credit facilities of the intermediate credit banks and agricultural credit corporations for which we have made provision in this bill

and aid to banks that are closed to aid in reorganization or liquidation.

We have provided that the board may extend relief to banks that are closed or in process of liquidation or that are insolvent to aid in reorganizing such banks or to aid in the liquidation of their assets, so that the depositors may be able to take the securities upon which they are not able to realize without enormous losses in this time of depression and negotiate loans on those assets, and to the extent that such relief can be safely extended to relieve the different communities who find themselves in this situation from the temporary distress which is so widespread in many sections.

Mr. RAYBURN. If the gentleman will permit, I would like to ask about three questions.

Mr. STEAGALL. I shall be very pleased indeed to yield to the gentleman.

Mr. RAYBURN. It has been suggested to me to ask just exactly what is the meaning of the language at the bottom of page 2 and the top of page 3:

Nothing contained in this or in any other act shall be construed to prevent the appointment and compensation as a director, officer, or employee of the corporation of any officer or employee of the United States in any board, commission—

And so forth. Does this language mean that even though a man has a position in the Government or if he be on a board or a commission already he can draw the compensation of the position he holds and draw compensation also for the position to which he would be appointed?

Mr. STEAGALL. The gentleman has raised a question that was considered by the committee, and it was thought that the language employed would prevent duplication of salaries. It was not thought we should deny the board the opportunity to call upon other departments or bureaus of the Government for the services of any of their employees who might have particular knowledge of any questions that might be presented in the conduct of the corporation, and it was the thought of the committee that the language at the bottom of page 3, limiting salaries, at least in practical effect, would safeguard any possibility of a duplication of salary for an employee of the board.

Mr. RAYBURN. I thought it would be a very wide departure from our policy, because in most of the State constitutions there is a provision that prevents a man from drawing two salaries, and I wanted this clarified, because some gentleman had suggested this to me. It is not, then, the intention of the committee that if a man who is a member of a commission or of a board is called in to help in this matter that he shall be paid any additional salary for it?

Mr. STEAGALL. Oh, no; not in the least, and I will say further to the gentleman that the corporation, of course, at the outset, will be confronted with applications for loans from banks and in the interest of economy of operation, it was thought it would be well to give the board of directors of this corporation access to the services of men in the comptroller's office or in any board where information might be available for the use of the directors of this corporation without having to pay unnecessary salaries to secure help in securing such information therewith.

Mr. RAYBURN. Now, there is one other question I want to ask. It is in line with the question my colleague [Mr. JONES] asked. In this section, naming the interests to which money may be loaned, can the paper of the joint-stock land bank be considered within this emergency?

Mr. STEAGALL. Unquestionably any banks, in the language of this bill, would have access to the accommodations of this corporation. In the consideration of the particular inquiry which the gentleman has made, the committee considered this particular language of the bill; and it was the opinion, and also the opinion of gentlemen who appeared before us to discuss the measure from the outside, that joint-stock land banks, intermediate credit banks, and the Federal land banks would be eligible to apply for loans under the provisions of the bill.

The gentleman will understand that in the administration of this law and in its purpose there was not so much of

purpose to indicate and anticipate the needs of joint-stock land banks and Federal land banks as would be the case in many other interests specifically referred to in the bill, because those banks make long-term loans that are in a different category from other institutions which would receive benefits under the law.

Mr. RAYBURN. I want to say to the gentleman that it is my purpose, and I am having prepared an amendment, and I want to ask the gentleman's reaction to it. If I may make a short statement in the gentleman's time, I will say that we have throughout the country some lawyers and some bankers who have a way when a subsidy of any sort is voted for the railroads of making up a deficit—they have a way of getting some of it, and the people to whom the subsidy is voted get only a part of it. It is my purpose to offer an amendment to the effect that no attorney, no banker, nor any intermediary shall participate in any of the funds to be loaned. What is the gentleman's reaction or the reaction of the committee to an amendment of that sort?

Mr. STEAGALL. I think the committee has fairly safeguarded the bill at that point; but I am sure all Members of the House would be glad to give consideration to any amendment offered by the gentleman from Texas.

Mr. RAYBURN. I know a case where there was an appropriation of \$3,000,000 for benefit, and some law firm and bank took two or three hundred thousand dollars of that amount that ought to have gone to the original borrower.

Mr. COX. Will the gentleman yield?

Mr. STEAGALL. I will yield to the gentleman from Georgia, and then I refuse to yield any further, for I have already used more time than I desired.

Mr. COX. The gentleman has passed beyond the point on which I wish to question him. A few moments ago he referred to a provision of the bill empowering the Speaker of the House to name two members on the board of directors. I wonder if the gentleman has considered the point raised by the gentleman from Iowa [Mr. RAMSEYER] sufficiently to be in position to discuss it at this time. In other words, has the gentleman satisfied himself that that provision of the law will stand the test?

Mr. STEAGALL. In my view of the matter, without having given it such a study as a lawyer should give to an important question, I have no doubt as to the validity of that provision of the bill.

We simply set up a corporation with the right to sue and be sued, with powers usually conferred upon corporations.

Mr. COX. Is the gentleman sure that the corporation is a separate entity, wholly independent of the United States Government?

Mr. STEAGALL. Why, certainly it is.

Mr. COX. Is there any connection between the Government and the corporation that is supplied by the appointing power of the President to set up the board?

Mr. STEAGALL. The gentleman would not insist that the mere appointment of the board by the President would establish an inseparable connection with the Government?

Mr. COX. The gentleman concedes that this corporation is controlled by the Government. Is that true? Is the gentleman prepared to make that concession?

Mr. STEAGALL. In a sense, probably yes; in another sense, no. It will be a free board with Government funds.

Mr. COX. But the stock is all owned by the Government?

Mr. STEAGALL. Yes. As a practical proposition, of course, the President will appoint and has the control of three members of the board, because they are his appointees, with the right of removal.

Mr. COX. In the light of that statement on the part of the gentleman, has the gentleman considered the recent pronouncements of the Supreme Court touching the power of Congress to appoint administrative officers?

Mr. STEAGALL. Oh, yes; I think that we all know in a general way what the Supreme Court has decided on that point, but I have thought that I could distinguish this cor-

poration and these officers from the type to which the gentleman refers. I ask the gentleman to take up that discussion with lawyers on the committee later in the debate, because I must conclude, not that I am not delighted to discuss it with the gentleman.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. WILLIAM E. HULL. Take a defunct bank. How is it proposed to take care of it?

Mr. STEAGALL. There are three things that the corporation can do. First, the bank might be closed and a receiver never have been appointed for it. The directors may put a notice on the door saying that in the interest of the depositors and to conserve assets they closed the doors of the bank, but no receiver has been named. We put language in the bill that covers that case, and it makes available the funds provided in the control of the corporation, to be used in reorganizing that bank, or in reopening it, if it may be done, or in bringing about an orderly, economic administration of its assets with a view to saving the community and the creditors of the bank from losses incident to a forced liquidation in such a time as that through which we are passing now—

Mr. WILLIAM E. HULL. I think that is the most important thing in the bill.

Mr. STEAGALL. I quite agree with the gentleman that it is exceedingly important. I have given it considerable thought, and we have attempted to cover every case of that kind as far as can be done in definite language.

Mr. WILLIAM E. HULL. Say that the bank is in the hands of a receiver and, we will say, moderately solvent. I mean by that, that if it were not for its frozen assets it would be solvent. Is it proposed to take those frozen assets out by the use of this money and put them aside and then furnish the bank with funds to run on?

Mr. STEAGALL. That would depend upon each particular case. The corporation would have the money and would have the power to take over a part of the assets of the bank, upon which the bank could not realize without loss, and upon which it could not borrow; and to the extent that any new funds were made available for those interested in the institution, they would be aided in any effort to reopen the bank.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. WILLIAMSON. In South Dakota and some other States we have rural credit departments. These are instrumentalities of the State, and funds are used for loaning purposes. What I want to know is whether the language of this bill is broad enough so that these corporations can rediscount paper with the finance corporation?

Mr. STEAGALL. That matter was presented to the committee, and the committee did not think the bill should be broadened sufficiently to include the service which the gentleman has in mind.

Mr. WILLIAMSON. As the bill now stands it does not include that kind of an institution?

Mr. STEAGALL. Not specifically. As to whether it is included or not, under the general terms of the bill, would be a matter of construction. I do not think it is included.

Mr. LANKFORD of Georgia. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. LANKFORD of Georgia. Does the bill as drawn now authorize the corporation to take over the assets of the National Credit Corporation, recently brought into existence?

Mr. STEAGALL. We have worked night and day in the preparation of this bill, but so far as I know no gentleman on the committee ever worked overtime at night in an attempt to frame a provision designed especially to cover the existing National Credit Corporation! Probably under the language of the bill that institution would be eligible to apply for loans. Also in that connection, I will say to the gentleman, the National Credit Corporation is in prac-

tical effect little more than a myth. They called finally for 10 per cent of their \$500,000,000 last week, and they have made loans to only an insignificant amount in the light of existing conditions. I am sure the gentleman is not very much disturbed about anything that may be done for the National Credit Corporation.

I am obliged to conclude. I promised to yield to the gentleman from Texas [Mr. Briggs], and after that I should like to conclude.

I yield to the gentleman from Texas.

Mr. BRIGGS. My understanding is that the committee expanded the terms of the bill as originally introduced, so as to make provision for agriculture.

Mr. STEAGALL. No. This bill was originally introduced last Saturday, and it has not been expanded since then, and it can not be expanded until it is reached for amendment this week on the floor of this House.

Mr. BRIGGS. I mean the purpose and character of legislation which had been heretofore proposed was expanded so as to carefully guard the interest of agriculture and give it an opportunity to receive recognition under this bill, to which it is entitled.

Mr. STEAGALL. I know what the gentleman has in mind, and I will say to the gentleman that the purpose he holds in connection with this legislation was entertained by a great many members of the committee; and in so far as it was in our power to express it in the English language, it finds proper expression in this bill.

Mr. BRIGGS. May I ask the gentleman if there is any provision in the bill whereby industries engaged in the utilization of agricultural products may have the benefit of this fund without recourse to the banks, by having an opportunity to go to the reconstruction corporation and apply for loans?

Mr. STEAGALL. Any financial institution, under the provision of this bill—

Mr. BRIGGS. I do not mean financial institution, but I mean, for instance, a flour-milling concern or some cotton-goods concern, or some other concern wanting to utilize the benefits of this reconstruction corporation; have they any means of applying to the banks?

Mr. STEAGALL. I have just read the language of the bill. It would cover one of the situations mentioned.

Mr. BRIGGS. It would cover all industry?

Mr. STEAGALL. I do not think it covers flour mills or similar concerns.

Mr. BALDRIGE. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BALDRIGE. On page 7 the bill refers to loans to the railroads. Did the committee take up the question of loans to street-car companies and tramways?

Mr. STEAGALL. We broadened the language of the bill with reference to railroads, from the suggestions that were originally made with reference to the legislation, to embrace electric railways and to extend to receivers of railroads and railways. That is unquestionably embraced in the bill.

Mr. McGUGIN. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. McGUGIN. On page 5 where it reads "any bank" with reference to insolvent banks, is it the understanding of the chairman of the committee that this includes money advanced from deposits in insolvent State banks as well as national banks?

Mr. STEAGALL. The bill provides the same opportunity for relief to State banks, either existing banks or banks that are closed or insolvent or in process of liquidation, that it affords to national banks.

Mr. WATSON. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. WATSON. On page 7 I find this language:

No loans or advances shall be made upon foreign securities and foreign acceptances or for the purpose of assisting in carrying or liquidating such foreign securities and foreign acceptances.

If a national bank had foreign securities, does this provide that they shall not have any money borrowed from the institution?

Mr. STEAGALL. No. We do not intend to say in this bill what the status of any bank's business must be in order to be eligible for a loan. There is nothing in the bill that prevents any bank that has any kind of securities, good or bad, no matter upon what they are based from applying for a loan, but we do provide in the bill that no loan shall be made on foreign securities of any kind of acceptances based upon foreign securities.

We have attempted—some of us, at least, had it as a controlling purpose in the preparation of this bill, with its unusual provisions, giving access to the Treasury of the United States in the enormous sum provided—and we expressed it the best we knew how that the provisions of this bill should not extend to loans based upon securities of other governments or any foreign interest. It is an American institution intended for the relief of the people of the United States [applause], and it is our hope that we may be able to rescue ourselves to some extent from the horrible conditions disclosed in banking and other business activities of the country, some of which, perhaps, have grown out of transactions in connection with foreign securities. We are trying to relieve the domestic situation in the United States in behalf of the people of this country. That is what is hoped will be accomplished by this bill. [Applause.]

I beg your pardon for taking so much of the time of the committee. [Applause.]

The CHAIRMAN. The gentleman from Alabama has consumed 1 hour and 55 minutes.

Mr. McFADDEN. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGuardia. Mr. Chairman, when the House of Representatives votes the passage of this bill, either tomorrow or Wednesday or Thursday, it will go recorded as one of the darkest days in the history of parliamentary government. It will go down as a ruthless, cruel coercion on the part of the bankers, literally putting a gun not up to our heads but to the heads of women and children, saying, "If you do not pass this bill, we are going to wreck savings banks and insurance companies and bring ruin to the country." [Applause]. That is all there is to it. This plan is indeed more than putting the cart before the horse. It is giving aid to the unsuccessful bankers before giving aid to the innocent depositors. Let us first secure the depositors by the passage of a proper guarantee fund to depositors, and that will take care of the liquidity in currency for a great many banks. Restore confidence to depositors and \$2,000,000,000 will be restored to the banks. Then compel banks to do only legitimate banking instead of wild speculation. The administration, the President, the Secretary of the Treasury, and my many conservative friends on the floor of this House are forever estopped from criticizing me again for urging unemployment insurance by calling it a dole.

This is a millionaire's dole and you can not get away from it. It is a subsidy for broken bankers—a subvention for bankrupt railroads—a reward for speculative and unscrupulous bond pluggers.

Gentlemen, I come here to-day not to defend the bankers of my city, but to apologize for them. Reference was made to the ingenuity of our financially big men. The whole banking fraternity of the United States has not produced an original idea or a man of genius in this whole crisis. [Applause.] To the contrary, they, these same bankers, are solely responsible if the public has lost confidence and withdrawn deposits. These same bankers sold their own depositors worthless securities. These same bankers rigged their own bank stock up to ridiculous and unwarranted high price and sold the stock to the public. If any large New York bank dares to deny this, I will give names, dates, and figures.

Now, let us look at the situation. We are in this position: Of a man in his country home, having finished his day's work. His wife and his children are upstairs in bed and he is reading. Two men come to the door and say, "Hand over your money," and point to the window. There stands

a third hold-up man with a bomb in his hand. The head of the house would be able to go out and lick all three of the stick-up men, but the man with the bomb in his hand would destroy his wife and his children if he attempted to put up a fight, so he submits. And that is what is happening today. You talk about the railroads. What are the railroads telling to Congress? The railroads tell Congress, with a leer and a sneer, "Give us this money, because if you do not we will default on our bonds and we will impair every insurance company and every savings bank of the country." All we can do is to so amend this bill that every cent paid over to a railroad shall be on a first mortgage, so that when we do take them over we can take them over on foreclosure and not pay for their watered stock and their inflated values. [Applause.] The railroads have resisted Government control and supervision during the time of their financial manipulation and crooked financing. They resisted and complained of regulation when they were on a profit-earning basis. Now that they are broke they come to the Government on bended knees for a dole.

Talk about securities. Why, gentlemen, instead of profiting by the experience of the Farm Loan Board we are repeating the evils and duplicating the mistakes, and at the expiration of the 2-year period of this corporation and at the expiration of the 3-year period for loans this corporation will be exactly in the same condition of the Farm Loan Board now, with its hundreds of millions of bushels of wheat on its hands. We will have such a collection of no-good securities on our hands that we can plaster all of the walls of the House of Representatives and the whole Capitol. And not a small business man or a farmer will be benefited by it. This bill will not take care of many small business men or farmers. It is only for the "big busts" of banking and railroading.

The bill takes care of what? Of the banks. It provides to take over their securities, which have depreciated in value, and, of course, the Government is going to be stuck with them.

The distinguished gentleman from Alabama stated that all the big men and the big bankers have indorsed this bill. There is no such thing as a real big and able banker in this country to-day. It takes more than a pair of spats and a love nest on Park Avenue to make a banker. [Laughter and applause.] He states that all the big bankers have been recruited from the country. Mr. STEAGALL, that was what they played up to the small country banker. It is true that some of these men, whom we believed were big, were brought into New York. Sure, the security mongers, posing as bankers, had their high-pressure salesman going to the little banker in the country, patting him on the back and saying, "I was talking to my president to-day. Why, he likes the way you are running your bank. He has his eye on you." The country banker would puff up and say, "Oh, yes." The salesman would say, "He likes the way you are doing, and so he has given me a list of securities and he knows you will appreciate them. Your competitor across the street would not understand them because he is not a genius like you." Then he would give him a list of securities and the country banker would buy them. Now the country banker is stuck, his bank impaired, and in thousands of instances depositors have been ruined. Why, the so-called big bankers were nothing but bond pluggers, not even dignified as bond salesmen. Laugh that off, big bankers, whose customers' index has become a sucker list.

Gentlemen, here is a typical list of securities sold under this very system to an up-State bank in New York. The sale was before the crash:

Bonds and stocks

	Shares	Interest rate	Amount
RAILROADS			
New York, Chicago & St. Louis, refunding mortgage, 1978.....	5,000	4½	\$4,875.00
Gulf, Mobile & Northern, first mortgage, 1950.....	5,000	5	4,975.00
Seaboard Air Line, first and consolidated mortgage, 1945.....	10,000	6	9,537.50
Hudson & Manhattan, adjustment, 1957.....	5,000	5	4,116.25

Bonds and stocks—Continued

	Shares	Interest rate	Amount
RAILROADS—continued			
St. Louis & San Francisco, consolidated mortgage, 1978.....	5,000	4½	4,837.50
Allegheny Corporation, preferred stock.....	7,500	5½	7,481.25
Van Swerigen Corporation, gold notes, 1935.....	5,000	6	4,850.00
Mississippi Pacific, secured sinking fund, gold notes, 1954.....	5,000	5½	4,975.00
	47,500		
INDUSTRIALS			
American Smelting & Refining, common stock.....	1,260		\$1,260.00
Revere Copper & Brass, first mortgage, 1948.....	5,000	6	5,137.50
Goodyear Tire & Rubber, first mortgage, 1957.....	5,000	5	4,750.00
American La France & Foamite, gold notes, 1935.....	5,000	5	4,862.50
United Cigar Stores, preferred stock.....	10,000	6	10,875.00
Phillips Petroleum, sinking fund, 1939.....	5,000	5½	4,800.00
Shell Union Corporation, sinking debentures, 1949.....	5,000	5	4,987.50
Pure Oil Co., sinking fund, gold notes, 1940.....	5,000	6	4,862.50
	41,260		
PUBLIC UTILITIES			
Commonwealth & Southern, preferred stock.....	5,000	6	5,012.50
Northern States Power, preferred stock.....	5,000	6	5,175.00
City Service Power & Light, gold debentures, 1952.....	5,000	5½	4,862.50
Republic Steel, preferred stock.....	5,000	6	4,737.50
Standard Gas & Electric, debentures, 1951.....	5,000	6	5,000.00
Bear Mountain & Hudson River Bridge, first mortgage, 1953.....	3,000	7	3,157.50
Buffalo, Niagara & Eastern, preferred stock.....	5,000	6.40	4,975.00
Florida Power & Light, first mortgage, 1954.....	5,000	5	4,862.50
Continental Gas & Electric, gold debentures, Feb. 1, 1950.....	10,000	5	9,375.00
Association Gas & Electric, gold debentures, Feb. 1, 1950.....	5,000	5	4,487.50
Niagara Share Corporation of Maryland, gold debenture, 1950.....	2,000	5½	1,975.00
Kreuger & Toll, American certificates.....	5,000	5.70	4,825.00
Ontario Power Co., first closed mortgage, 1950.....	5,000	5½	4,698.50
	65,000		
FOREIGN			
Agriculture Mortgage Bank of Colombia, sinking fund, 1946.....	5,000	7	4,875.00
Republic of Finland, external, 1956.....	5,000	6½	4,687.50
Department of Antioquia, external, 1957.....	5,000	7	4,637.50
Berlin Electric Underground, first mortgage, 1956.....	5,000	6½	4,762.50
Republic of Poland, sinking fund, 1947.....	5,000	7	4,587.50
State of New South Wales, sinking fund, 1958.....	5,000	5	4,787.50
Mortgage Bank of Chile, sinking fund, 1962.....	9,000	6	8,595.00
Tokyo Electric Co. (Ltd.), first mortgage, 1953.....	5,000	6	4,512.50
Finland Reserve Mortgage Bank, first mortgage, 1961.....	5,000	6	4,712.50
German Government internal loan, gold notes, 1965.....	5,000	5½	4,487.50
	54,000		

These securities were sold to this up-State bank by a bank in New York City, whose name every man, woman, and child would recognize immediately.

Mr. STRONG of Kansas. What bank was it?

Mr. LAGUARDIA. The Guaranty Trust Co., if you want to know. If I am urged to give names I will tell all, but do not then blame me if more people lose confidence in their banks. The conduct of the three largest banking institutions has been nothing less than disgraceful. As I was saying, they sold these securities to this small country bank, and after selling them under this high-pressure system I am talking about—and it is not exaggerated a bit—they made a large loan to this bank on these securities. A few weeks ago the big city big bank suddenly demanded payment of the loan or additional security. The little country bank said, "Why? You have sufficient collateral. You told us that yourself." Then the city bank comes back with this: "We do not like your list of securities." The little bank said, "You sold them to us." But despite that, they sold out the securities and the country bank was closed. That is not fiction; it represents facts. It is typical of what the so-called financiers who will benefit by this bill have been doing all over the country.

Here is another case in my State, a national bank in Middleport, N. Y. The president of this bank was approached by a man who said, "Mr. President, I represent the National Credit Corporation, of Washington. Mr. Hoover is personally sponsoring this corporation and it is his idea that we have a capital stock of \$500,000,000. We only want good banks in it, and you are one of the outstanding bankers here, so we want you to subscribe 10 per cent of your capital stock," and he did. A few weeks later there was a run on this national bank and they rushed to Washington to the

Credit Corporation and asked for help. This wonderful, much-advertised National Credit Corporation founded to protect banks, flatly refused. "Oh, no," said the Federal Credit Corporation. "Then at least give us back our \$5,000," and even that was refused. The bank closed, the depositors lost, the Federal reserve took notice, for statistical purposes, of another failure, and the wonder \$500,000,000-Credit Corporation kept the \$5,000.

Why not first consider relief and protection for the depositors? Why, gentlemen, in the discussion that took place this afternoon, in the exchange of questions and answers, it would appear that the banks and the money belonged to the bankers. The banks and the money belong to the depositors, and if the depositors have lost faith in the bankers it is the fault of the bankers and nothing else.

Yet you talk here of appropriating \$2,000,000,000—not \$500,000,000, but \$2,000,000,000—because the \$500,000,000 is a direct appropriation and there is authority to issue securities up to \$1,500,000,000 and Uncle Sam's indorsement is back of every security. Is not that right, Mr. STEAGALL?

It was sought to inject into the discussion the idea that runs on the banks and the consequent withdrawals have caused this panic. While we were discussing this very point, my colleague from Ohio [Mr. WHITE] phoned the Comptroller, and of the \$1,759,000,000 in the closed banks, only \$60,000,000, or 3.4 per cent, was withdrawn prior to the closing of these banks.

Mr. STEAGALL. The gentleman will understand that that statement does not materially conflict with the statement I made to the House.

Mr. LA GUARDIA. I am not criticizing the gentleman. I am criticizing the banks and the damnable lies of some of our so-called big bankers.

Mr. STEAGALL. I assured the committee that there were no withdrawals covered by that statement.

Mr. LA GUARDIA. I am not criticizing the gentleman. I am criticizing whoever sought to inject the idea that the loss of confidence on the part of the depositors caused this panic. No such thing, and here are the figures—3 per cent.

Now, gentlemen, I want to ask anyone if it would not be a fair proposition—and in speaking this afternoon I am speaking for myself, because the Progressive conference is going into consultation this evening and to-morrow on this bill—but in the meantime I want to submit, would it not be fair to take out of this \$2,000,000,000, \$150,000,000 as a first loan to a fund to be created and increased to a sufficient size for the guaranty of deposits and establish a system of deposit guaranty in our national and Federal reserve banks and put that into the bill? [Applause.] If it is not germane, we can ask for a rule making it germane. Oh, yes; I have grave doubts that a rule would be granted. Let the people of the country know that the American Congress can not be fooled; that we realize the coercion and the force that is put back of this bill by the bankers; but that we will first look after the interest of the depositors and the business man, and if any banker violates his trust after a guaranty fund is provided, then that banker should have not the aid of the Reconstruction Corporation but be in the custody of a Federal penitentiary.

Mr. STEAGALL. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. STEAGALL. The figures show that the total deposits in failed national banks and State banks that are members of the Federal reserve system in 1903 were just a little under \$800,000,000. The best estimates obtainable are that the losses on those deposits would be at least 50 per cent. How would the gentleman guarantee deposits in a situation such as confronts us now as disclosed by these figures with the mere sum of \$150,000,000 with which to afford such protection?

Mr. LA GUARDIA. I do not. I would simply loan that amount to the guaranty fund as a starter, and then the fund would be established to proper amount by assessment on each bank.

The gentleman, who is an expert on banking, will now give me the daily average deposits of all banks in the Federal

reserve system, and if he takes that into consideration and provides a contribution of a fraction of 1 per cent a year from all such banks, a sufficiently strong fund to guarantee deposits can be created and maintained. I do not intend to have the Government insure deposits, but I want the first loan to start the fund right from this money authorized in this bill, and a fair contribution from the profits of the Federal reserve system.

Mr. WOODRUFF. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. WOODRUFF. As a matter of fact, is not the 50 per cent that is lost by the depositors the loss that will accrue to them as a result of the banks finding it necessary to liquidate in a hurry rather than to any other reason?

Mr. LA GUARDIA. Of course many of the liquidations of banks are due to the shrinkage which the gentleman from Michigan [Mr. WOODRUFF] suggests is the shrinkage of the bad securities sold on artificially inflated prices. I say that the big bankers at the time they were selling their own securities on an inflated value knew that they were selling them at an inflated value, and any man who obtains money under misrepresentation—call it what you want in parliamentary language, but out West in the country where I was raised he is nothing but an ordinary thief and ought to be in jail. [Applause.]

Why they were selling their own bank securities at prices not justified.

It has been suggested to me that if we had a fund guaranteeing deposits it would put a premium on dishonest banking. Not at all. Out West when I was a kid the most valued possession that one could have was a horse. There were no railroads and there were no means of communication. There were no telegraph lines. A horse was a most priceless possession in such a community, and when the people found that going hundreds of miles to the nearest court to try a horse thief did not solve their problem, they solved it by hanging the horse thief to a tree. The banker who knowingly and fraudulently sells such securities to a savings bank, when he knows the nature of the deposits of such a bank, the banker who so sells such securities to an estate is as low as the old-time horse thief and deserves no better treatment.

Mr. BOYLAN. Would the gentleman hang the bankers?

Mr. LA GUARDIA. What would you do? Give them a medal? [Laughter.] Yes; I would hang a banker who stole from the people. Now, listen to this. Here is a firm that has been selling first-class securities, and specializing in giving advice to estates. Here is the estate of a family I know. The father of these children purchased all these securities from a so-called first-class firm in New York. His purpose was to secure his family after his death. When his orphaned daughter wrote to this same house the other day, here is the reply which was sent.

At the request of your daughter, we write you relative to the securities held by the estate. At the beginning let us state that while the securities held may have been suitable under a plan Mr. ——— had in mind, it is most difficult for us to give any really sound advice at this most exceptional period on securities held by the estate or yourself.

But when they sold the securities to this gentleman they guaranteed them as gilt-edged security and recommended them as a sound investment to constitute a basis for the care of the family.

Mr. BUSBY. Will the gentleman yield? Would not your argument apply to the Government bonds, in a degree, the same as it would to some other bonds, because Government bonds are selling for less than par?

Mr. LA GUARDIA. The securities of the United States are the only good securities in the whole world, and they will be redeemed at 100 per cent unless the bankers tear down the whole governmental structure. Of course, you can not guarantee the obligation, but on many securities it is only the inflated and dishonestly created artificial prices that is bringing ruin to many banking institutions, insurance companies, and savings banks who were at the mercy of the banks higher up. Here we have an appropriation of \$2,000,000,000 put into the same securities that are shrinking in

value in order to give relief to the institutions that hold them.

Mr. BUSBY. I think the gentleman's argument is entirely beside this bill and does not go to the merits of the bill. This same matter was covered in my speech on the 19th of December, and if the gentleman will examine it he will find that these arguments have already been made.

Mr. LA GUARDIA. No one can claim originality in describing the crookedness of some of our bankers. What I want to get at is this, that we are relieving the very people who are responsible in the main for the financial collapse.

Mr. BUSBY. That is where the gentleman's argument does not go to the merits of the bill.

Mr. LA GUARDIA. I am sure the bankers of the country will appreciate the remarks that the gentleman has inserted in this debate. That is not going to aid the farmers. This is not going to benefit any of the cotton people. Do not be deluded with that idea.

Mr. LOZIER. Will the gentleman yield?

Mr. LA GUARDIA. I yield.

Mr. LOZIER. Apropos of what the gentleman from Mississippi has said, is it not true that no man in America doubts that the Government bonds are still worth 100 cents on the dollar? It is simply a question whether or not they want to invest in them at the present time. Is it not also true that the bankers went over the country in the small towns in the country who had Government bonds and induced them to let them take the low-interest-bearing Government bonds and substitute these securities which have turned out to be perfectly worthless?

Mr. LA GUARDIA. Yes; absolutely. And let me add this: The bill provides that the corporation shall not take any foreign securities. But the bill is aiding foreign securities by relieving the banks of the domestic securities they now hold. Here you are aiding the foreign securities indirectly if not directly.

Mr. HARLAN. Will the gentleman yield?

Mr. LA GUARDIA. I yield.

Mr. HARLAN. May I ask the gentleman's attention to the provision on page 6, and the second on page 7?—

All loans made under the foregoing provisions shall be fully and adequately secured.

Mr. LA GUARDIA. I get the gentleman's point.

Mr. HARLAN. The point is that these loans are limited as to amount. Why did the gentleman make the statement when they can not exceed 10 per cent, first, of the authorized capital stock of the corporation plus, second, the aggregate amount of bonds of the corporation authorized to be outstanding when the capital stock is fully paid in?

Mr. LA GUARDIA. The outstanding bonds? As the bill is written, it would appear that credit is granted on the amount a borrower may owe and not what they own. That is in keeping with this millionaire's dole, absolutely.

Mr. HARLAN. When these loans are to be made adequately secured and also limited, why does the gentleman make this statement?

Mr. LA GUARDIA. If they are adequately secured, they will not come to this corporation for the money, but what they will do is to take the depreciated securities and get loans which otherwise they could not get, except for the unusual provision in this bill. I really believe the language in the bill should be perfected.

Mr. HARLAN. Is not the gentleman assuming that the board of directors of this proposed corporation will be a bunch of infants, boobs, or crooks.

Mr. LA GUARDIA. The bill gives them that authority. If the corporation will be conducted no better than some of the largest financial institutions of the country the gentleman's description may prove to be appropriate.

Mr. HARLAN. Is that an implication that they will necessarily be imbeciles in exercising it?

Mr. LA GUARDIA. Who ever votes for this bill will be, because the bill gives power. I say Congress may be forced to do it by the terrible havoc that will be wrought and is threatened if we do not do it. I believe the language

should be clarified. The bill is intended to permit the loan of money on 10 per cent of its capital stock and outstanding bonds, for that is really what the intent is—although not so expressed—and that amounts to \$200,000,000 to any one borrower. If that is not a millionaire's dole I do not know what is. I shall offer an amendment at the proper time to reduce the amount in half. The one point we must not forget is the cruel coercion of the very men who brought this country into this financial condition now putting a gun at the head of Congress and saying, vote us this money or we will ruin the country. I shall not vote for it unless it is materially amended and every safeguard inserted. I shall not vote for it unless provision is made to guarantee deposits. I want a reconstruction measure which will aid the business man, the factory, the farmer, and will create employment. I am primarily interested in the needs of our people, and the welfare of our country. [Applause.]

Mr. GOLDSBOROUGH. I yield 15 minutes to the gentleman from Georgia [Mr. BRAND].

Mr. BRAND of Georgia. Mr. Chairman, I am going to confine my remarks, during the 15 minutes allotted to me, to a few pages of manuscript, though I intend, if permitted to do so, to discuss the most important provisions in the bill in my own way. Before doing so I want to remind the gentleman from New York [Mr. LA GUARDIA] that this bill, or substantially this bill, was sent by the President of the United States and the high officers of the Treasury Department to the gentleman from Kansas [Mr. STRONG], who introduced it in the House, and that a similar bill containing the same provisions was sent by the administration to Senator WALCOTT, chairman of the Banking and Currency Committee of the Senate.

This bill was suggested by President Hoover and the Treasury officials after consultation with each other and with a few Senators and Representatives from time to time, upon the conviction entertained by them that under its provisions the economic situation in this country, which is in a very critical condition, may be improved, and that to a certain extent at least it would remove the depression which has been confronting the country in a most disastrous manner for over a year. From my study of the provisions of the bill I have reached the conclusion that it is the most important bill with which the Congress will deal at this session. I also wish, in a friendly spirit, to suggest to the gentleman from New York that, as this bill is approved by the President of the United States, by the Secretary of the Treasury, by the Under Secretary of the Treasury, by the Secretary of Agriculture, by the Comptroller of the Currency, by the governor and other members of the Federal Reserve Board, and by the leading bankers and business men all over the country, there is more merit in the bill than has been attributed to it by him. This is not a mythical piece of legislation.

As the gentleman from New York vigorously insisted, the bill may be in the interest of the big bankers of the country, and I think it is to a large extent, but at the same time, as I understand its provisions, if the directors of the corporation will impartially and sympathetically administer the provisions of the bill in behalf of all the people, and it is presumed that they will do so, it will afford substantial assistance to the small bankers of the Nation and indirectly to the average man in the country. We can not help the big bankers in the country without indirectly and by reaction helping the small bankers in the country.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. SHALLENBERGER. I am interested in what the gentleman said about helping the little banker. I notice in section 5 they are prohibited from loaning in excess of 10 per cent of the authorized capital of a bank.

Mr. BRAND of Georgia. At any one time.

Mr. SHALLENBERGER. Does the gentleman think that a loan of 10 per cent of the capital stock of a bank that is in difficulties and struggling would be sufficient to relieve that bank?

Mr. BRAND of Georgia. The purpose of putting that amendment in the bill was to prevent the corporation from loaning too much money to railroads.

Mr. SHALLENBERGER. Then this is a limitation, in the opinion of the committee, and does not refer to the bank itself but to the corporation which loans the money.

Mr. BRAND of Georgia. Of course. It is a limitation upon the loaning power of the corporation, and not intended to limit the borrowing power of the banks—little or large ones.

Mr. BEEDY. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. BEEDY. I am very glad that the gentleman from Nebraska has been corrected by the gentleman from Maryland. We now have an instance of what loose thinking we sometimes indulge in on the floor of the House. The gentleman from New York [Mr. LA GUARDIA] has just taken his seat. He condemned the bill because it permitted a loan of 10 per cent of the capital stock of the applying borrower plus the bonds of the borrower outstanding. In other words, he says here is a bill that permits a loan on what the debtor owes. That is not what the bill says at all.

There is written into the bill on page 7 a limitation on the capacity of this Reconstruction Corporation to make loans. It may never loan to any one borrower more than 10 per cent of the Reconstruction Corporation's capital stock, plus the aggregate amount of the outstanding bonds of the Reconstruction Corporation. So nobody under this bill can borrow from the Reconstruction Corporation on the strength of what he owes.

Mr. BRAND of Georgia. What I was trying to say when questioned by the distinguished gentleman from Nebraska is that the best judgment of the House and Senate and the administration is in favor of the proposed legislation.

In making this statement I do not refer particularly to the membership of the House Committee on Banking and Currency, although it is a fact that the members of this committee have diligently, impartially, and, I think, intelligently given much study and serious consideration to the provisions of this bill, and therefore the entire personnel of the committee is as familiar with the provisions of the bill as any Member of Congress. This tribute, which I sincerely think the personnel of the House Banking and Currency Committee deserves, not only includes the old members of the committee but also the new members assigned to it at this session of Congress, each and all of whom are entitled to full measure of credit.

It is not my purpose to submit any brief for the gentleman from Pennsylvania [Mr. McFADDEN]. While the gentleman is liberal in the language he sometimes uses about public officers, which is not material to this controversy, he has been a very useful member of the subcommittee. In my judgment, he can find as many footprints of the big bankers who are alleged to be crooked, referred to by the gentleman from New York [Mr. LA GUARDIA], as any man in this Congress or out of Congress.

Mr. SIROVICH. Not restricted to bankers?

Mr. BRAND of Georgia. No. After this bill becomes law, and it will become a law, if the administration of the same is placed in the hands of directors who have some sympathy and some compassion for the average man and the small banker of this country, as well as the big bankers, in my opinion, it will be the greatest blessing and benediction that we can bestow upon the people of the United States during this session of Congress.

I do not know whether Members of Congress have personally felt the effects of this depression or not, but I am satisfied that practically all of our constituents have. Any person acquainted with current events for the last two years knows that the masses of the people are suffering and enduring sacrifices unprecedented in the history of this country, and all are looking to this administration and this Congress to leave nothing undone to terminate the existing depression. A group of individuals in this country, whether intending to do so or not, by their conduct have turned loose an avalanche

of destruction, horrible in its consequences, which they have not been able to overtake and which has been more damaging in its consequences than anything that has occurred since the deflation period of 1920.

One of the chief troubles is that there is not a sufficiency of money in circulation to meet the needs and answer the demands of the people of the Nation. The big banks of the country in the agricultural sections are making no loans at all to the tenant class of farmers, and none to the landlords who own their own homes and farms and are out of debt. This is largely true relative to the people who want to borrow money on real estate in the cities.

I want to proceed with my original idea and analyze the provisions of the bill so that Members of Congress who have not had an opportunity to read and study the same and the people back home may know just what this bill provides. Few of our constituents have ever seen this bill and probably never will. Many Members of the House, for lack of opportunity, have never read the bill. This bill is more or less technical, and for one to understand it, it requires not only a careful reading but a study of its provisions. The only two speeches which have been made up to date are one by our chairman, the gentleman from Alabama, and one by the gentleman from New York [Mr. LA GUARDIA], although the gentleman from New York did not give much information about it, and I say this with no unkind feeling toward him.

Section 1 of the bill provides for the creation of the Reconstruction Finance Corporation with principal offices in the District of Columbia and agencies and branch offices in any city or cities of the United States, under rules and regulations prescribed by the board of directors.

Section 2: The capital stock of the corporation is to be \$500,000,000, all subscribed and owned by the Federal Government.

Section 3 provides that the management of the corporation shall be vested in a board of directors, consisting of the Secretary of the Treasury, the Governor of the Federal Reserve Board, and the Secretary of Agriculture. The bill originally introduced by the gentleman from Kansas [Mr. STRONG] provided for the appointment of a member of the Federal Farm Board. We have stricken out that provision of the bill and put in lieu thereof the Secretary of Agriculture.

The bill provides that 4 other persons are to be appointed as directors—2 by the President and 2 by the Speaker of the House of Representatives. It was provided in the original bill that the President should appoint all four of these directors.

I do not want to discuss at this time the amendment providing for the appointment of two of these directors by the Speaker of the House of Representatives, though I hope to have the opportunity under the 5-minute rule of expressing my legal opinion relative thereto. Having voted for this amendment, which I did without giving the amendment sufficient consideration, I am practically forbidden, under the doctrine of estoppel, from voting against it.

In the original bill the salary of the appointed directors was placed at \$12,000, but we reduced it to \$10,000.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. BRAND of Georgia. I yield.

Mr. WILLIAM E. HULL. The gentleman from New York [Mr. LA GUARDIA] referred to the fact of a small banker out in Illinois, for instance, desiring to borrow \$50,000 on frozen assets. Will that bank have the privilege of coming to this board and getting it without going through a New York bank?

Mr. BRAND of Georgia. Yes; certainly.

Mr. WILLIAM E. HULL. That is, they can come direct? In other words, does the gentleman say that the small bank in Illinois will have the same opportunity to borrow money through this medium as the large bank?

Mr. BRAND of Georgia. I do.

Mr. YON. Will the gentleman yield?

Mr. BRAND of Georgia. I yield.

Mr. YON. Suppose this bank had a capital of \$50,000. Under this bill, if it becomes a law, how much would this bank be permitted to borrow?

Mr. BRAND of Georgia. As much as its collateral justifies. This small bank makes application for a loan under rules and regulations prepared by the board of directors.

I take it that blank applications will be provided for the convenience of the borrowers. In this application the borrower, among other things, will state how much money he wishes to borrow and the collateral security which he desires to submit for the loan. If the security which he tenders to the corporation for the loan he wishes to make is satisfactory to the corporation, the bank may get all the money it applies for.

I will go on with some of the other important features of the bill, and this, I am sure, will answer the questions propounded by the last two gentlemen relative to the lending power of the bill. The corporation may lend to any bank, savings bank, trust company, insurance company, building and loan association, agricultural or livestock credit corporation, intermediate-credit bank, agricultural or farmers' association incorporated under State laws, or any other financial institution of good standing.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BRAND of Georgia. It may lend to closed banks, for the purpose of restoration to solvency. We put that in the bill. It was not in the bill which was sent by the administration to Judge STRONG.

Mr. ALLEN. Will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. ALLEN. Referring to the banks that are insolvent, the machinery in the comptroller's office at the present time is better able to handle that situation than could be provided for in this bill. The bill introduced by the gentleman from Maine [Mr. BEEDY] and the bill introduced in the Senate would cover that subject so much better, it seems to me, than by having incorporated it in this bill without the machinery to handle insolvent banks.

Mr. BRAND of Georgia. We put this amendment in the bill, as I told Mr. Pole, before he furnished his bill to Mr. BEEDY. And for this reason, among others, the committee declined to recede from its action. The corporation may make loans to the railroads, with the approval of the Interstate Commerce Commission. Of course, they will be the largest borrowers. There is no use denying that fact or suppressing that fact, because the railroads, as a rule, are in financial straits and most of them are losing money every day. Every public-spirited man, it seems to me, ought to be in favor of any sound legislation which will help the situation as to the railroads. I am willing to afford them such assistance as they may actually need to prevent them from going into the hands of receivers. All loans are to be fully and adequately secured and may run for three years, with a possible extension of two years additional. The provision that loans shall be fully and adequately secured is very strong language, and, I think, should be liberally construed by the board of directors.

Mr. CRISP. Will the gentleman yield?

Mr. BRAND of Georgia. I yield.

Mr. CRISP. Who is to pass on the solvency of the paper that is offered for rediscount?

Mr. BRAND of Georgia. Some member of the board of directors or an appointee of the board under such rules and regulations as the board shall prescribe. There will be 4 directors to be appointed, and it is my idea that they should be selected from different sections of the country—that is to say, for instance, 1 from the South, 1 from the North, 1 from the East, and 1 from the West.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. EATON of Colorado. Has the gentleman come to the language which shows how frozen assets are going to be unfrozen by this half a billion dollars?

Mr. BRAND of Georgia. No; if I may I will answer the gentleman's question later.

As I say, all loans are to be fully and adequately secured, and may run for three years, with a possible extension of two years additional. All of the loans of the corporation must be made within one year from the date of the act, but the President may extend the period to a maximum of one year additional. The loans of the corporation to any one organization or group at any one time are limited to 10 per cent of the authorized capital stock of the corporation plus the aggregate amount of bonds of the corporation authorized to be outstanding.

Section 6: The national banks are not restricted to the amount of their capital in borrowing from the corporation.

Section 7: Federal reserve banks are directed to act as depositaries, custodians, and fiscal agents for the corporation.

Section 8: The Government departments, including the Federal reserve system, are required to give any confidential information with respect to prospective borrowers which the corporation may request.

Section 9: The corporation is authorized to issue its notes, debentures, bonds, or other such obligations to mature within a period of five years, bearing rates of interest to be determined by the corporation. The aggregate of all such obligations is not to exceed \$1,500,000,000, making the total of the capital subscribed by the Government \$2,000,000,000.

All obligations of the corporation are to be unconditionally guaranteed by the Government of the United States and shall be paid by the Government in case of default. The Federal Reserve banks are given full power to discount notes, drafts, and bills of exchange secured by obligations issued by the corporation; to make advances to member banks on notes secured by such obligations and further to deal in such obligations of the corporation as though they were obligations of the Government of the United States. Federal reserve banks, however, shall charge on such rediscount or advances a rate of 1 per cent higher than its discount rate on 90-day commercial paper.

Section 10: The obligations of the corporation are to be exempt from all taxation except surtax, estate, inheritance, and gift taxes, State or Federal.

Section 11: The Treasury Department is to furnish the facilities and the forms for bond issues.

Section 12: The corporation may act as depository of public money and as financial agent of the Government, but not as to receipts from customs.

Section 13: The provisions for the liquidation of the corporation are to begin after one year from the act or such additional period of extension not to exceed two years after the act.

Section 14: After 10 years any unliquidated assets are to be turned over to the Treasury.

Section 15: The corporation is required to make quarterly reports of its operations to Congress, stating the aggregate loans made to each class of borrowers and the number of borrowers by States, in each class.

Section 16: Penalties for criminal violations.

Section 17: Reservations as to the power to alter, amend, or repeal.

In conclusion I want to remind you that this is an administration bill. It was introduced by the gentleman from Kansas [Mr. STRONG]. Its fate was placed in his hands and committed to his charge, I suppose, because the gentleman is a 100 per cent full-blooded Republican from Kansas and the administration has confidence in him. [Applause.] He is a man whom I also respect very much.

Mr. JOHNSON of Texas. Will the gentleman yield for a question?

Mr. BRAND of Georgia. Yes.

Mr. JOHNSON of Texas. With reference to the length of term of the directors appointed for five years, the bill provides that they shall be appointed for a term of five years, and I want to ask the gentleman if he does not think that term should be for a shorter period of time, for two reasons.

In the first place, this is a temporary measure to take care of a temporary emergency, and, in the second place, section 4 provides that the corporation shall have succession for 10 years unless sooner dissolved by act of Congress. If the terms of the directors are five years, would not there probably be some embarrassment in abolishing the corporation sooner? In other words, would it not be easier to abolish the corporation if the term of the directors was for less than five years, if Congress should determine that it should be abolished sooner?

Mr. BRAND of Georgia. I can only tell the gentleman what I think about his question. If the institution created under the provisions of this bill is a success, as we all hope it will be, we will not want to abolish it very quickly. We will want it to keep functioning and maintain its existence until deflation ceases and inflation begins and conditions from one end of the Nation to the other have materially improved. If it proves a failure, which we all hope will not be the result, then we will want to abolish it as soon as possible.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WILLIAM E. HULL. Will the gentleman yield for a question?

Mr. BRAND of Georgia. Yes.

Mr. WILLIAM E. HULL. Does the gentleman actually believe in his own mind that \$2,000,000,000 is enough for this corporation, and have you made provision for increasing the amount?

Mr. BRAND of Georgia. That is a very important question. The governor of the Federal Reserve Board and the Under Secretary of the Treasury, Mr. Mills, I think, have expressed the opinion that they will be very much disappointed if the corporation is called upon to loan as much as \$200,000,000.

Mr. WILLIAM E. HULL. Now, will the gentleman answer the second part of the question—if the money does run out, have we any way of increasing the amount?

Mr. BRAND of Georgia. Not under the terms of the bill.

Mr. COLE of Iowa. Will the gentleman permit a suggestion? Is not this legislation intended to be about 16 to 1; that is, 16 of credit and confidence restored to 1 of actual money?

Mr. BRAND of Georgia. That is exactly it. Restoration of confidence and reestablishment of credit are essentially necessary to exist before the economic situation begins to improve.

Mr. COLE of Iowa. If we once reestablish credit, then the whole thing will go over big.

Mr. BRAND of Georgia. That is what we all hope for and expect. This measure is designed to put new life into our entire business structure by coming to the support of our financial institutions and the railroads by making funds available to them in the present emergency.

Its principal purpose, as stated, is to restore public confidence in the economic future of our country. I earnestly hope that this bill will soon be enacted and that it will have the beneficial effect predicted by the President and the officers of the Treasury Department and that it will permanently remove, or aid in doing so, the present financial depression which hangs over the country like the shadow of death, affecting men, women, and little children of all classes and all races of people.

Nevertheless, many of our people are moved by fear in the consideration of the business situation, and we have widespread hoarding of money, timidity in engaging in new business, and distrust of all financial institutions in general. Deposits are being withdrawn from banks which are solvent, causing many of them to close their doors. The banks themselves are becoming hesitant to lend money for fear depositors may suddenly demand their deposits.

Banks can not operate upon this basis. More than 2,000 banks failed in the year 1931, the largest number of failures being last month. A healthy banking situation is basically necessary to business recovery, and the primary aim of this

bill is to give to banks and to depositors in banks—and this includes the farmers—the strongest possible assurance that the Nation itself will come to their support if necessary.

Different Members of the Congress have asked me the same question that has been asked on the floor here, Where does the farmer come in? This is one place where the farmer comes in.

Mr. WILLIAM E. HULL. He would also come in if he could borrow money.

Mr. BRAND of Georgia. If he is a depositor, he will come in.

Mr. WILLIAM E. HULL. If a bank is opened up and gives him the privilege of borrowing money, he will come in under the terms of the bill, will he not?

Mr. BRAND of Georgia. He certainly will. This is one of the chief provisions of this bill.

Mr. CRISP. Will the gentleman yield for a question there?

Mr. BRAND of Georgia. I yield.

Mr. CRISP. Are the bonds issued by this corporation eligible as collateral for postal-savings deposits?

Mr. BRAND of Georgia. The bill does not so provide.

[Here the gavel fell.]

Mr. STEAGALL. I yield the gentleman five minutes more.

Mr. BRAND of Georgia. Resuming my analysis of the bill, I will state that the United States will guarantee the payment of these obligations at maturity. The maturity date can not be longer than five years. The Federal reserve banks may rediscount paper of the corporation and may lend upon the security of its obligations the same as if they were Government obligations.

The normal operating life of the corporation is one year only, but the President of the United States may extend it to one year additional. This is done in the belief that the very existence of the corporation will restore public confidence. [Applause.] After one year of existence, if the President does not see fit to extend it, the corporation must be put into liquidation and its affairs would be wound up within a maximum of 10 years.

The corporation is permitted to make loans to all classes of banks except private banks to building and loan associations, insurance companies, to agricultural or livestock credit corporations, to other financial institutions of good standing, and to the railroads, with the approval of the Interstate Commerce Commission. It may also make loans to receivers of closed banks for the purpose of restoring such banks to solvency.

Loans made by the corporation may be for a term of three years and may be extended to a maximum of five years, but all such loans must be fully and adequately secured. It is not the idea to relieve any situation by taking worthless assets as security. The loans must be made upon good assets, assets of intrinsic worth, but upon which it is not possible quickly to realize funds in the ordinary channels of trade.

I was told by one man who knows as much about this as anybody that the bank was solvent in ordinary times and is now loaded down with frozen assets is eligible to go to this corporation and borrow money, pledging its assets as collateral security in an amount satisfactory to the board of directors.

I was given to understand that this is one of the main purposes of the bill, and if it were not I would not support it. The little banks as well as the large banks are all on the same basis. I sincerely hope that this bill may soon become a law and that its benefits be realized quickly. [Applause.] We are all given to understand that it is urgent that this be enacted into law promptly, and I hope it will be. [Applause.]

[Here the gavel fell.]

Mr. BRAND of Georgia. I ask for five minutes more.

Mr. STEAGALL. I yield the gentleman five minutes more.

Mr. BRAND of Georgia. A bank does business upon its paid-in capital and the funds deposited with it for convenience and safe-keeping. A bank is not supposed to be

able at any time, without notice, to pay off a considerable number of its depositors. Under normal conditions the percentage of deposits and withdrawals can be anticipated by the banker. Banks therefore lend the depositors' money upon such security as the law and good business judgment approve. It also invests in bonds and other securities. Under ordinary conditions securities thus acquired are considered a liquid reserve and can be reduced to cash upon a moment's notice. Loans upon the mortgage security of real estate have always been considered good loans where conservatively made. The national bank act permits a national bank to lend in this manner an amount equal to one-half of its savings. These mortgage notes are not rediscountable; there is no established market for them, but they are safe and sound loans when held to maturity. This is especially true of mortgages on farms and on city houses and small business houses.

As we all know, conditions now are so highly abnormal that not only is it impossible for a bank to realize upon its securities by reason of the extreme deflation in market values but they face the daily possibility of a concerted demand by its depositors for their funds. The rediscounting of eligible paper with the Federal reserve banks is not in sufficient volume to meet this emergency. A bank faced with this condition must close its doors to conserve its assets, notwithstanding the fact that it is technically a solvent institution.

What will this corporation do under these circumstances? The bank will give its note to the corporation and will put up as collateral security mortgages, investment securities, and other paper sufficient fully to secure the note on a long-term basis, and the corporation will lend the bank a corresponding amount of funds or the corporation may simply rediscount paper held by the bank.

It is easy to foretell the effect of this procedure, for the very moment a depositor knows the United States will support the bank in this manner, he will be willing to leave his money in the bank. Money will come out of hiding all over the United States.

I hope and believe that this corporation will not have to lend any great part of its authorized capital structure in order to restore public confidence and that it will initiate the return of a saner view of our immediate business future. [Applause.]

Since I have been a Member of Congress I never have had anything to do with any bill that I felt so much interest in as I do in this one.

Mr. COLE of Iowa. And no one has explained it better.

Mr. BRAND of Georgia. The people are looking to Congress for relief; and if this does not do it, nothing that we can do will accomplish the purpose. [Applause.]

Mr. McFADDEN. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. STRONG].

Mr. STRONG of Kansas. Mr. Chairman, ladies, and gentlemen, first let me pay a tribute to the gentleman from Alabama [Mr. STEAGALL], the chairman of the Committee on Banking and Currency. He does not belong to the party of the administration; he belongs to the majority party in the House. When we were called into conference with the President, and these bills for the purpose of building a reservoir of credit, to check further deflation, and to make it possible to thaw out the frozen assets of the country were discussed, he and other prominent members of his party said that they would do all they could in the emergency to put through this legislation. [Applause.] I compliment him now upon the effort that he has made. We have been in conference practically every legislative day and some of the nights since this Congress has been in session. We have passed one bill that the President suggested, which the chairman of our committee [Mr. STEAGALL] introduced, for the relief of the land banks.

The gentleman from Alabama has had a bill pending before our committee for a year or two to grant a moratorium for the farmer borrowers of the farm land bank. When this bill came before the committee, however, and such an amendment was suggested, he knew that if we were to

grant to all farmer borrowers an extension in their own right so that they at their own option need not pay for a year or two the interest and principal on their loans, those banks would fail, because every man who held a bond would sell it, and their price would fall, and you understand these banks must sell their bonds close to par if they are to secure funds to continue to make loans to farmers. So he helped work out an amendment that would give the directors of the 12 land banks the right, if the conditions of the borrower justified it, to grant him an extension of both interest and principal due for one year, and spread that payment over the ensuing five years. He brought the bill on the floor of the House.

Some Members, for the purpose of leading the people back home to believe they favored a moratorium to all farmer borrowers so they would not have to pay their interest and principal for a year without any arrangement regarding such payments, supported some amendments to that effect, but the gentleman from Alabama stood up here in the interest of those 12 great banks that now belong to the farmers of the country and defeated those amendments, and put through an amendment that would help them and yet not destroy the farm-land banks.

He has been very diligent in bringing this bill out on the floor of this House. This is the same bill as H. R. 5060, which I introduced at the request of the administration and that was prepared in the financial departments of the Government. This is the bill that we discussed in our committee and amended. When the bill was completed the majority members of the committee instructed my friend Mr. STEAGALL to report it out to this House, and that bill is now H. R. 7360, but I want the Members of the House to know that it is the same as the bill H. R. 5060.

It is very easy to criticize the bill. It carries an authorization of an immense amount of money and gives the directors broad powers, but if the greatest and richest Government on earth, finding itself in the emergency it does find itself in, intends to thaw out the frozen credits in this country, then it has to have somewhere an immense reservoir of credit, and the men who manage it must have broad powers. Of course the gentleman from New York [Mr. LA GUARDIA] can come in and damn the great bankers of his city and get a lot of applause, because that is the popular thing to do. Of course it will also get a lot of headlines in the papers. It is so much easier to tear down and criticize than it is to build up something. The gentleman from New York [Mr. LA GUARDIA] is an able and lovable man and he is a very popular Member of this House. It is too bad that he does not use his ability to help with constructive legislation. If he really wanted to find something to criticize the bill for, why did he not come before our Committee on Banking and Currency and offer his criticism and discuss the matter with the members of the committee? Every Member in this House has always an invitation to come to the Banking and Currency Committee and help us in the preparation of such legislation.

But no; he waited until the bill got on the floor of the House and then made his speech, damned the bankers and got the applause he wanted, but what good does it do in trying to help prepare legislation to take this Nation out of the condition we are in, away from the depression that exists all over the country and the world? None. Of course, he will prepare some amendments, and his speech was made for the purpose of getting votes in this House. I thought perhaps he was going to suggest an amendment to put into the bill some provision for a guaranty of bank deposits. There has been a bill along that line, introduced by Mr. BEEDEY, of Maine, which has been very carefully worked out and prepared. Such a provision can not be thrown into a bill of this kind through an amendment. We had the guaranty of bank deposits in the State of Kansas. That State guaranteed deposits of all of the State banks, strong and weak, and every bank had a right to place upon its windows and on its checks that its deposits were guaranteed by the State. What happened? So many banks failed that we found ourselves shouldering a deficit that the State or the banks could not pay. You can not guarantee deposits of

every bank in the United States. You must have some safeguard, some protection against the weak banks that cause the losses being guaranteed, and I appeal to the Members of this House not to be carried away with an amendment of a few words guaranteeing the deposits of all banks in the United States, regardless of their condition or management.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. STRONG of Kansas. Not now. I appeal to the Members not to be led away by an amendment of that kind.

I do not agree with the way the many bankers have conducted their business in this country. I quite agree with the gentleman from New York on many things that he said. I wrote an article for one of the financial journals of the country at the close of the last Congress, and in that article I criticized the bankers for the way in which they had been conducting their business. I do not believe in their indulging in the by-products of banking. I do not believe that a bank ought to be connected with a trust company or to sell securities all over the world on commission. I think the bank should be limited to legitimate banking business. I said in that article that if the bankers of the country did not clean house it might be necessary for the Government to enter the banking business, as it has the Postal Service, for the purpose of protecting the deposits and savings of the people of the United States.

I say to them now it is their duty to quit loaning the money and deposits of the people for gambling and speculation, and to quit selling stocks and bonds to the people on a big commission, especially bonds and stocks which turn out to be worthless.

But, gentlemen, what has that got to do with this bill? Why hammer the bankers in order to create prejudice against this bill? Now, let me discuss the purpose of this bill. It is to set up an immense reservoir of credit, one that will be large enough to help any institution or group in the United States that performs a public service, to help liquidate their frozen assets, so that they may extend credit to farmers, merchants, and those industries which employ our laboring men. It is to be a corporation of \$500,000,000 capital, to be subscribed out of the Public Treasury. All of that amount may not be used. It is granted the right also to issue bonds and debentures for \$1,500,000,000 more. It may not use it all; but in his statement before our committee Gov. Eugene Meyer made it very plain that they must at this time have something worth while to put in the show window so that the people who were now scared, who refuse on account of fear to do business, could know that the Government of the United States had set up a reservoir of credit strong enough to take care of frozen assets and thaw them out and permit business men—bankers, farmers, merchants, manufacturers, railroads, and building and loan companies—to go ahead and do business.

You say how would it help the farmers? My friends, I have always been a great admirer of Governor Meyer, not alone on account of his great knowledge of finance but because of his peculiar ability to go to the place that affects the entire financial system and fundamental trouble and administer to that trouble the proper financial relief.

Mr. KELLER. Will the gentleman yield?

Mr. STRONG of Kansas. I prefer to go on with my remarks, please.

Let me show you what Governor Meyer said to our committee with regard to how this corporation would help the little banks in the agricultural States and afford relief to the farmer. When he was director of the War Finance Corporation he did many things in my district and in other districts in the West which helped the small banks. He pointed out to our committee that the best way to help the big bank was to build a safe foundation under it, make it possible for it to do business without fear that some other bank would fail and cause a run on that bank. I quote Governor Meyer from the hearings before our committee:

We have a situation, gentlemen, where it is a fact, as is commonly stated, that fear is a dominant factor. We had a similar situation in 1921, when the agricultural relief act expanded the loan powers of the War Finance Corporation for a period of a

year, which was extended finally until December 31, 1924. It is important to analyze what that fear is. It is not the weak fearing the strong; it is the strong fearing the weak. We will take a concrete example in the agricultural relief work in 1921, because specific cases are always almost convincing. There was a small town in the Middle West with three good, strong banks and one bank that was small and weak. As long as that small, weak bank was in danger the three strong banks would not renew loans if they could help it; they would extend no new credit, or very little; and they pursued, perhaps rightly under the circumstances, a contraction policy in their operations. You hear, and you hear truthfully as a matter of fact, of strong banks afraid to function actively and normally. It is the fear of some neighbor, or the situation in some neighboring town, or something else, or maybe the fear generated by events such as the Bank of England going off the gold basis and the conditions in Europe and South America, but that fear has become a dominating factor in the financing of the regular business of the country.

In 1921 the War Finance Corporation removed, in that small town in the Middle West, the fear on the part of three strong banks of that small, weak bank. The amount of money required in that particular case was not important; the most important thing was that a small amount of money directed to the weak spot released, through the removal of fear from the strong banks serving the agricultural interests of the community, a very large amount of money which otherwise would not have been available and which, of course, does not appear on the books of the War Finance Corporation.

Now, with the strength and resources of this great Nation, I believe that there is the possibility of important remedial work of the greatest benefit to agricultural, commercial, and industrial interests through a measure with broad powers along the lines of this bill. There is a great deal of talk about frozen assets. Some of these assets that are called frozen are among the best in the country. It was my experience, however, in the work of the War Finance Corporation that many so-called "frozen assets" thaw out with considerable speed if they are properly handled.

I took the occasion this morning to look up in one of the old reports of the War Finance Corporation the amount loaned to banks under the 1921 amendment. Altogether the corporation made loans for agricultural purposes to 4,317 banks—mostly country banks—the largest amount outstanding to banks at one time was about \$134,000,000, in April or May, 1922. In May, 1923, in spite of the fact that a great many new loans were made during the year, the amount outstanding had been reduced to \$60,000,000, and a year later, in spite of more new loans, to \$37,000,000. In addition to the loans to country banks, one of the biggest problems that confronted the corporation was the livestock situation. There it was a problem of developing machinery through which loans on livestock—cattle and sheep, particularly—could be made on an adequate scale.

A company was organized in Texas with a capital of \$1,000,000, another in Cheyenne, Wyo., with a capital of \$1,000,000, another in Colorado with \$500,000 capital, another in Utah with \$250,000 capital, another in Montana with \$250,000 capital, and so on. The aggregate amount of livestock loans—cattle and sheep—was somewhere between \$85,000,000 and \$90,000,000.

The largest amount of such loans outstanding at one time was sixty million, in May, 1922. In spite of the fact that many additional loans were made in the following year, the repayments brought the aggregate down to forty million in May, 1923, and a year later down to twenty-six million. I am giving you these figures to show how so-called frozen assets thaw out where the character of the credit is suitable to the situation. There was nothing more frozen in the country than a cow loan in the breeding area of the United States in 1921. Sheep and cattle were unmarketable in quantity. Prices were demoralized. When corn gets down, as it did in 1921 in western Iowa and Nebraska, to 16 or 18 cents on the farm, why, of course, the note of the farmer in the Corn Belt may be "frozen." The War Finance Corporation made loans to 529 banks in Iowa and put them in a position not only to carry their farmer borrowers until their products could be marketed in an orderly way but also to make new loans.

Governor Meyer pursued that policy all over the country. That is to be the policy of this corporation. It will take care of the weak in order that the strong may be without fear and give credit so that crops may be financed, goods purchased and sold, improvements made, trade and business encouraged, and the unemployed employed. For illustration, the railroads, 80 per cent of whose expenditures are for labor, must borrow \$175,000,000 between now and the 1st of June. Under the present situation of the money market and the present credit conditions throughout the country, they can not borrow and receiverships, inefficiency, and unemployment will follow with great losses to the people who are dependent on them for transportation to and from markets or who supply or work for them. They are a great source of State and local taxation, without which our tax burdens would be even more burdensome. They move our crops, employ our labor, buy our coal and foodstuffs. Their employees are our neighbors and friends.

Suppose this corporation says: "If you bankers do not come to the relief of the railroads we will." Can you imag-

ine what you would do if you had money to loan and a great \$2,000,000,000 corporation said, "If you do not loan this money I will." Of course the bankers want profit, and they will find a way to furnish the money to the railroads, particularly as they will know that their own assets are no longer frozen.

Governor Meyer made it plain that he did not expect to use anywhere near the amount of money authorized, but he said:

We have to have it in the show window. We have to convince the people of the United States that this great Government is going to the relief of the frozen credit machinery of this country and take up frozen assets and permit them to thaw out.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Chairman, I yield to the gentleman from Kansas five additional minutes.

Mr. STRONG of Kansas. So the purpose of this bill is that this great Government, with the greatest resources on earth and the best people behind them, is going to say, "We are in a position to thaw out the frozen credits of this country along all lines, building and loan companies, insurance companies, railroads, banks in the agricultural districts, all kinds of groups that have to do with rendering public service, thus encouraging employment, restoring confidence, and assuring a gradual return of prosperity.

If it becomes a law, my friends, this bill will give relief. It carries wide power, I grant you. It carries an immense sum in capital, I grant you. You may criticize, but this is no time for hesitation; it is time to act, for the world is prostrate and we alone can create this great confidence-inspiring corporation and thus start the climb upward even if the rest of the world persists in its militaristic and uneconomic policies. I have never been afraid of something because it was new or because it was called radical, if the experience of the past—the War Finance Corporation—indicated that it was sound, constructive, and beneficial.

There is one section of this bill that I think must come out and which was not in the bill as I introduced it, and that is the proposition to divide the appointing power of four directors, in addition to the ex officio members of this corporation, by providing that the President appoint two and the Speaker of the House two. This represents a departure in government, a placing of executive functions in the presiding officer of a legislative body, which is contrary to our form of government, and may present serious administrative complications.

I know the Speaker of this House would appoint two splendid men upon that board of directors to administer this great corporation, and I believe he would cooperate with the President in connection with the two men the President would appoint. But, my friends, there is some doubt as to the constitutionality of this provision, and I do not want to wait until somebody goes to the Supreme Court of the United States with a case testing its constitutionality. We want to get this corporation working within 30 days after the bill becomes a law.

We do not want any delay and, therefore, I hope the membership of this House will consent to an amendment—which I hope will be offered by our friends on the majority side—which will permit the President to appoint these four directors. I am positive he will do the fair thing by both sides of this House.

This is not the place nor the time in which to play politics. This is the time and the place when we should put aside partisanship and all unitedly attempt to bring about relief in our great country, and we want the help of every Member in that effort.

Mr. ALLGOOD. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. ALLGOOD. Would the gentleman favor making those appointments for two years instead of five, in case that amendment were submitted?

Mr. STRONG of Kansas. I think that would not be a good thing to do, and for this reason: You are going to loan money for one year with the right of renewing the loan for two years. The board is to effect collection of such loans. I

believe you should not change the membership of the board while those loans are in existence. You may collect them in 5 years or 10 years.

Mr. ALLGOOD. But that would make it nonpolitical.

Mr. STRONG of Kansas. It would not make it nonpolitical, my friend. It would just simply show that you are going to change horses in the middle of the stream. It is not a partisan corporation nor a political one. It is a great credit institution designed to help all, large and small. I do not care how many men your party has on this board but simply want able men who are not partisans but patriots.

Mr. ALLGOOD. The gentleman is asking the committee to give way and allow the President to appoint them?

Mr. STRONG of Kansas. I would not ask the committee to give way if I thought there was no question about the constitutionality of the provision; but as there is some question about its constitutionality I want the bill passed in such a way as not to allow it to go into court and delay its being put into effect. The President suggested during the nonpartisan conference at the White House that he would like to have the number he should appoint increased from two to four to enable him to include both parties, and I have confidence that he meant just what he said.

Mr. McCORMACK. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. McCORMACK. The gentleman made some observations about the guaranty of deposits. If the Government guarantees bank deposits, should we not go directly into the banking business and take complete control?

Mr. STRONG of Kansas. I gave you my opinion about that. I do not think the Government ought to guarantee the deposits of all banks, sound and unsound, because that would put a penalty on the good banks. It would cost a great deal of money to guarantee the deposits in unsound banks. The bill for the guaranty of bank deposits that has been introduced by Mr. BEEDY, of Maine, has been carefully prepared and our Committee on Banking and Currency will hold hearings, and everyone desiring to be heard will have the opportunity.

Ladies and gentlemen, the country is waiting for the passing of this Reconstruction Credit Corporation bill. I have received telegrams from all over the Nation urging its prompt enactment into law. Let us speed its passage.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOOPER].

Mr. HOOPER. Mr. Chairman and gentlemen of the committee, it is not my intention in the time given me, and which I will probably not consume in full, to enter into an analysis of this bill, but rather to put myself on record as favoring the measure and expressing the hope that it will pass this House very promptly.

I would like, however, to corroborate what my friend from Kansas [Mr. STRONG] has said both as to the chairman and as to the personnel of this committee, of which I have been a member for six years. Most of the men who are members of that committee have been its members for many years. In the six years during which it has been my privilege to sit with these men, I have never, except upon one occasion, observed anything of a partisan character or political character in the deliberations of the committee. I have come to have the most intense admiration for my seniors of both parties on the committee. I do not know how anyone could give better or wiser consideration to matters presented to the committee than such men as Mr. STEVENSON, of South Carolina; Mr. GOLDSBOROUGH, of Maryland; Judge BRAND, of Georgia; and Mr. STEAGALL, from the State of Alabama; and I think the same thing may properly be said of my own side of the committee. I am emphasizing this merely to try to point out to the House my very earnest belief that this measure is a wholly nonpartisan one. It is an extraordinary measure, but it is an emergency measure, an emergency measure in the strongest sense.

As I study this bill—and the committee has given to it most careful and thorough study—I can not look upon it as a panacea for the ills from which the public is suffering

at this time, but I do look upon it as a real step in the right direction toward restoring confidence and bringing us back to something of a normal way of life.

There is only one feature of the bill to which I could seriously object, and that is the one of which Mr. STRONG spoke a few moments ago.

I have perfect confidence in the Speaker of this House. I have perfect confidence that if he is given the power to appoint members of the board of directors of the reconstruction corporation he will use that power patriotically and wisely, but it seems to me that it is a departure from tradition and precedent. It is a departure which may be fraught with peril. It may establish a precedent which will arise to plague us in time to come. It seems to me it is a confounding of an executive function with a legislative function. I can see many questions which may arise out of it in the near future. Suppose, for instance, just to suggest one of them, it became necessary to remove a member of this board; would the Speaker have the power of removal? Would the President have the power of removal? Probably not, because he has not made the appointment. It is not an executive appointment.

Mr. COX. And in the matter of reappointment, who may reappoint?

Mr. HOOPER. The question also arises about who may reappoint, and I thank my friend from Georgia for suggesting it.

There are many considerations that might rise to plague the Congress of the United States growing out of this provision. However, I would not allow this rather extraordinary innovation to prevent me from voting for the bill and earnestly advocating its passage; but I hope that this feature may be eliminated.

This is a relief measure. It is an emergency measure. It is a nonpartisan measure. I have not, in this strenuous session of Congress, said a word upon the floor of the House from a political standpoint, and I am going to avoid this as much as I can in order to assist in that small degree in having necessary legislation passed; but we must remember that this depression is not a partisan depression. Democrats and Republicans have suffered alike. Men and women throughout the world have suffered alike as a result of it.

As a nonpartisan measure this bill should pass; not as a cure-all, but with the hope and the purpose (and this is the purpose which has actuated the Banking and Currency Committee) that it may be one of the contributing causes which will once more restore confidence to the country, make us believe more in our banks, make us less ready to withdraw our money from them, make us look forward with hope to that day which certainly will dawn in the near future when confidence will be restored and when the world can once more come back to a normal way of living.

Mr. COX. Will the gentleman yield?

Mr. HOOPER. Yes.

Mr. COX. The gentleman, as a member of the committee, may be of some aid to me in giving a future explanation to certain provisions of the bill to which previous speakers have referred. In the latter part of section 3 the language is as follows:

Nothing contained in this or in any other act shall be construed to prevent the appointment and compensation as a director, officer, or employee of the corporation of any officer or employee of the United States in any board, commission, independent establishment—

And so forth.

Then again:

The directors of the corporation appointed as hereinbefore provided shall receive salaries at the rate of \$10,000 per annum each.

The chairman of the committee, in response to questions propounded to him with respect to the meaning of this language, gave it as his opinion that one already in the service of the Government and receiving a salary from the Government could not, under the language I have quoted, receive a further or additional salary, stating that in his

opinion this condition is safeguarded with the following language, which is the last two lines of section 3 of the bill:

Nor shall any employee receive a higher salary than that herein fixed for the directors.

In the opinion of the gentleman does that language safeguard the condition referred to in the questions propounded to the chairman of the committee? In other words, is not all of the language of section 3 of the bill in reference to the power of the board to engage as officers of the board of directors those now in the employ of the Government, and does not all the language empower the board and contemplate that the board will, in its discretion, pay an additional salary to any officer of the Government that the board may see fit to engage up to the sum of \$10,000?

Mr. HOOPER. I did not hear the entire statement of the chairman of the committee, but from the discussion we had in committee and from the explanations of the bill as given there it is my opinion that the situation referred to by my friend from Georgia is safeguarded by the language of the bill. I have not a copy of the bill here with me.

Mr. COX. In other words, an officer drawing, say, \$5,000 whose services the board desires to engage and which might be given without impairing his duties to the Government in the office which he now holds the board would not have the right to pay him for services rendered an additional salary as an officer of the board.

Mr. HOOPER. It is my belief and understanding that that safeguard is found in the language of the bill.

[Here the gavel fell.]

Mr. WATSON. Mr. Chairman, I asked the distinguished chairman of the committee a question in relation to language found on page 7 and he failed to give me a direct answer. On page 7 we find this language:

Provided, That no loans or advances shall be made upon foreign securities and foreign acceptances or for the purpose of assisting in carrying or liquidating such foreign securities and foreign acceptances.

On page 9 we find—

Every applicant for a loan under this act shall as a condition precedent thereto consent to such examinations as the corporation may require for the purposes of this act, and that reports of examinations by constituted authorities may be furnished by such authorities through the corporation upon request therefor.

If upon examination a bank is found to have foreign securities, the corporation will not loan to that bank. Remember that many of these securities were purchased before the war, purchased by banks that had good standing in the community. I do think it unwise to say to bankers, "Because you have a few foreign securities we will not help you."

This association is for the purpose of assisting depositors, and if we do not, then this act fails to do what it is intended to do.

Mr. STRONG of Kansas. I do not think the purpose of the law is to prohibit loaning money to a bank but to prohibit the loaning of the money on foreign securities.

Mr. WATSON. The act specifically provides that no loan shall be made for the purpose of carrying foreign bonds. If a bank has few foreign securities and the directors want to borrow money, they can not get it.

Mr. STRONG of Kansas. The corporation will not loan the money to them on their foreign securities.

Mr. WATSON. The bank may have a great many foreign securities, and unless the loan is made the bank may fail.

Mr. STRONG of Kansas. The purpose is to discourage the handling of foreign securities, with which I thoroughly agree.

Mr. WATSON. I do not know the purpose of the committee, but I do know that it is as plain as letters and words can write that the banks can not borrow money for the purpose of liquidating or carrying the foreign securities.

Mr. STRONG of Kansas. You can not borrow on the foreign securities, but the bank could borrow money on other securities.

Mr. BEEDY. If the gentleman will yield, I think the gentleman is properly concerned, and I think that there

is something in what he says. The language is a restriction on the power of the corporation to loan on foreign securities or for the purpose of enabling a borrowing bank to carry foreign securities. Now, I suppose that when we come to administer the act, if it is found that a bank is unduly loaded with foreign securities, and principally because of that fact a loan was needed, the reconstruction corporation would refuse the loan. But it is my judgment a loan would be granted a bank notwithstanding the fact it might have some foreign securities if it could be reasonably concluded that the loan was not sought to enable the bank to carry those particular securities.

Mr. WATSON. That should be written in the bill.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, some of us would like to know how much time has been consumed in general debate and how it has been distributed.

The CHAIRMAN. The gentleman from Alabama has 1 hour and 25 minutes remaining, and the gentleman from Pennsylvania has 2 hours and 57 minutes remaining.

Mr. STEVENSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7360, and had come to no resolution thereon.

EXTENSION OF TIME FOR GENERAL DEBATE

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that general debate upon the present bill be extended for three additional hours, to be equally divided. I have consulted the majority and minority leaders, and that is entirely satisfactory to them. They say it will not interfere with the program for the week.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the time for general debate on the bill be extended for three hours, one half to be controlled by himself and the other half by the gentleman from Pennsylvania. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want 15 minutes.

Mr. STEAGALL. I hope there will be no trouble about that. I shall have to give preference to the members of the committee.

Mr. BLANTON. Of course.

Mr. STEAGALL. I think I can take care of the gentleman.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. Wolcott, indefinitely, on account of illness in his family.

BOARD OF DIRECTORS, COLUMBIA HOSPITAL

The SPEAKER. The Chair makes the following appointments, which the clerk will report.

The Clerk read as follows:

Pursuant to the provisions of the act of June 10, 1872 (37 Stat. L. 360), the Chair appoints as members of the board of directors of the Columbia Hospital for Women the following Members of the House: Mrs. NORTON, Mrs. KAHN.

LIBERTY IN REVERSE

Mr. WILLIAM E. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein a speech delivered by my colleague, the gentleman from Washington [Mr. HERR], on the subject of Liberty in Reverse.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAM E. HULL. Mr. Speaker, under the leave to extend my remarks in the RECORD I include a speech delivered by my colleague the gentleman from Washington, Mr. HERR, this being the fourteenth of a series of 15-minute talks over the blue network of the National Broadcasting Co.,

sponsored by the Sentinels of the Republic, delivered January 3, 1932. These broadcasts take place each Sunday at 1 o'clock eastern standard time during the fall and winter of 1931-32.

The speech is as follows:

From the day the Puritans landed on Plymouth Rock and in their zeal to implant liberty in the New World began to massacre the aborigine and deprive him of his possessions, liberty has taken on some fantastic shapes. She became a versatile contortionist.

Our ancestors came to America for religious freedom and then proceeded to exile and burn those who disagreed with them. Many of the American people have assiduously carried out that ideal in our moral and governmental life. This country has become the Mecca for the crusader and the fanatic. Within the memory of our own generation it was considered sinful to dance, to play cards, or to go to the races—and the opera house was a sinful habitation.

As small boys we signed some pledge or other and sometimes we signed it every week in order to be pointed out as one who had forsaken the path toward hell.

Moderation is something the reformer knows nothing about. Anyone who questions any measure offered by the reformer becomes immediately an undesirable citizen. There is no middle of the road. He and he alone is right, and you must agree with his doctrine or you will be led to some sort of a faggot pile, such as political and official oblivion, for destruction.

These so-called uplifters attempt to get possession of youth through the public schools. They would regulate the way you live, the manner you worship your God, and they have gone so far as to put prohibition, a police regulation, in the Constitution.

Is it strange that failure has followed such efforts and that our country is in a chaotic state? A law prohibiting an act that the people do not consider wrong in conscience and do not feel bound to respect is doomed always to failure. A former American ambassador to Germany, James W. Gerard, very aptly states the position of the American people when he calls attention to the fact that Americans are spending \$285,000,000 a year in Canada and \$700,000,000 a year in Europe just "to get a smell of liberty."

It is well for us to sing the Star-Spangled Banner and, on patriotic occasions, extol this land of the free, but as we sing we know full well that liberty has not kept astride of the physical progress of the country. Liberty has turned backward. It is in reverse. Jefferson aptly observed that "the natural progress of things is for liberty to yield and government to gain ground." How true in the development of our country?

We may pride ourselves on our democracy, but a careful analysis and comparison of conditions at the beginning of our Government with the present shows that little remains of the liberty valiantly achieved by the founders of the Republic. In place of a democracy we have a bureaucracy. As proof go back to the year 1800, when our Government, then representing 5,300,000 persons, was moved from New York to Philadelphia. At that time there were 54 office clerks. All the records of the Government were moved in seven small and five large boxes. The Government was then functioning, and had, as we know, passed a vast amount of important legislation. It consisted of the Departments of State, Treasury, War, Navy, Justice, and Post Office.

The population of the United States now is twenty times more than the population of 1800. Had Government employment increased in proportion, 742 persons would now be employed as office clerks in the Government. But what have we? The departments, 134 bureaus, 35 independent offices, employing at home and abroad over 800,000 men and women—and so many commissions that the count of them has been lost. With approximately 160,000 men in the Army and approximately 90,000 in the Navy, and many special workers in other subdivisions of the Government service, employment reaches well over the million mark.

What does this paternalism cost the country? In 1800 the Federal Government appropriated \$11,000,000, or approximately \$2 per person; in 1850 the Federal appropriation was \$45,000,000, or \$1.93 per person; in 1890 it was \$8.20 per person; and in 1930 expenditures were \$4,710,377,376, which is \$38.42 for every man, woman, and child in the United States, according to the 1930 census returns.

The price of liberty is small. The price of bureaucracy bankrupts the Treasury. What do we have to show for this transition from liberty to bureaucracy? Has Federal encroachment on State rights and individual rights, guaranteed under the Constitution, been productive of better government or of a better people? Has it produced economy in government and has it given a higher moral tone to the citizens? The emphatic answer is no.

It is a known fact that projects constructed under Government supervision cost approximately a third more than similar projects constructed under individual supervision. In my home city of Seattle we saved approximately one-third of the cost of a million-dollar Government building through the employment of local architects and engineers. This is not an isolated incident, but is typical of Federal activities. Uncle Sam is like the rich widow—bargains do not come to him.

The natural bureaucratic tendency to use standardized plans and specifications on file in Washington, without regard to local conditions or to advanced methods of construction and improved materials, results in inferior Federal construction. We have in mind one building where such antiquated plumbing was stipulated that the items were not listed in the recent catalogues.

We are reminded also of the story going the rounds at the Capitol that one of these stereotyped plans was submitted for the post office at Detroit which called for a hitching post. Such is the result of Government centralized control. Architects and engineers 3,000 miles from the place of construction, without a true knowledge of local conditions, can not efficiently plan construction.

This condition is not limited to one department, but prevails in all Government agencies. In Washington, D. C., approximately 75,000 people are in Government employ. Some are planning buildings, others are planting seed, some weighing the world, and most all of them are taking over the business that properly belongs to States and individuals.

We have bureaus telling you how to live and how to die, how to raise babies, what to eat and what not to eat, and commissions to report on every manner of thought and activity. This all costs huge sums. One commission appointed to determine whether you do or do not drink cost the taxpayers over a third of a million dollars, and because their report did not coincide with the views of some people it was buried in the archives of records and was interred in the sublime Westminster Abbey of former commission reports.

We might smile were it not for the fact that the price of admission to this comedy of government is so exorbitant. It is small wonder that my friend, Colonel Robertson, the sage of newspaper men of my State, writes that "the whole country is busted from the Atlantic to the Pacific."

If you are of the opinion that Federal legislation has been productive of good, inquire whence came the word "rack-teer," with the twelve to eighteen billion dollar tribute paid every year to him. If you are still convinced and do not fear alcoholic asphyxiation, take a peep into the lockers of the legislators, the judiciary, and others in high authority, and then with more serious intent into our colleges and our subdeb parties and, worst of all, into our homes.

We can not complain of the lack of law or statute. If legislation is the panacea of misbehavior, we should be the most law-abiding nation in the world. No nation is comparable to the United States in the making of laws. We are pleased or damned with over 2,400,000 statutes—Federal, State, and municipal. Correctly we have been designated a country with more laws and more lawlessness than any other nation.

Morality enacted by statute can not and never will be of the fiber of true morality. Goodness must come from within and not through force applied by law from without. People do not respect certain laws because they know that the acts decreed by law as wrong are often not wrong, and punishment, however drastic, does not and will not insure enforcement.

This disregard for one unenforceable law produces a disregard of all laws. Individual acts were not proscribed by the framers of our Constitution. They were not considered objects of constitutional control. Morality, health, public instruction were subjects reserved to the States. Bureaucracy, which is another form of tyranny, was thought to have been provided against.

Do you suppose that the framers of the bill of rights, that Washington, Franklin, Madison, Hamilton, Jefferson, or their colleagues, in their wildest flights of imagination ever dreamed of the desirability of Government regulation of the individual? Do you suppose any one of the States signing the Constitution would have signed with that in mind?

Agents of Government are everywhere. Interference is not only in business but in our homes. In commenting on the British policy of entering homes with writs of assistance issued to revenue officers to search suspected places for smuggled goods our own Supreme Court said that these writs were "the worst instrument of arbitrary power, the most destructive of English liberty and the fundamental principle of law that ever was found in an English law book, since they placed the liberty of every man in the hands of every petty officer."

But here this very condition prevails to-day. Think what it costs in dollars and cents, without regard to the sacrifice of liberty—liberty assured us under the Constitution. If this fanaticism continues and centralized government prevails, you will be told what school your children must attend, tobacco will be tabooed, and I presume candy also, as they say it might, although it never does, fatten mama's marriageable daughter.

Where are we going? Is this our ideal of liberty?

The Statue of Liberty was placed in position more fitting than our forbears thought. Facing outward she extends a welcome to the oppressed of the world—at least this has been the accepted thought. More correctly be it now said she is gazing into space seeking to find that which she typifies.

Why, may we ask, did the liberty seeker ever come to our shores? Why not Finland?

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until to-morrow, Tuesday, January 12, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

367. A letter from the Comptroller General, transmitting report and recommendation concerning the claim of the Rio Grande Southern Railroad Co. against the United States; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH of Idaho: Committee on Irrigation and Reclamation. H. R. 4650. A bill to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation and/or similar districts other than Federal reclamation projects, or to counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes; with amendment (Rept. No. 37). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MORTON D. HULL: A bill (H. R. 7427) to provide for the appointment of deputy collectors of the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H. R. 7428) to amend section 4894, Revised Statutes (U. S. C., title 35, sec. 37); to the Committee on Patents.

Also, a bill (H. R. 7429) to protect labor in its old age; to the Committee on Labor.

By Mr. BALDRIGE: A bill (H. R. 7430) to amend an act entitled "An act to establish a universal system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, as last amended by the act of January 7, 1922; to the Committee on the Judiciary.

By Mr. RAYBURN: A bill (H. R. 7431) to amend section 16a of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7432) to authorize the Interstate Commerce Commission to delegate certain of its powers; to the Committee on Interstate and Foreign Commerce.

By Mr. THATCHER: A bill (H. R. 7433) to provide for an additional district judge for the eastern and western districts of Kentucky, and to amend section 83 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. MITCHELL: A bill (H. R. 7434) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended, and for other purposes; to the Committee on Roads.

By Mr. JAMES: A bill (H. R. 7435) to amend the national defense act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. HOGG of Indiana: A bill (H. R. 7436) to provide for registration of aliens and a certificate of identification; to the Committee on Immigration and Naturalization.

By Mr. HARLAN: A bill (H. R. 7437) to amend the national prohibition act as amended; to the Committee on the Judiciary.

By Mr. SWEENEY: A bill (H. R. 7438) to increase the balance to the credit of any one person in a postal-savings depository from \$2,500 to \$10,000; to the Committee on the Post Office and Post Roads.

By Mr. McLEOD: A bill (H. R. 7439) to provide for an additional district judge for the eastern district of Michigan; to the Committee on the Judiciary.

By Mr. McCORMACK: A bill (H. R. 7440) to amend the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. LAMBERTSON: A bill (H. R. 7441) granting pensions and increase of pensions to widows and former widows of certain soldiers, sailors, and marines of the Civil War, and for other purposes; to the Committee on Invalid Pensions.

By Mr. CRISP: A bill (H. R. 7442) establishing a revolving fund to be administered by the Secretary of Agriculture

for agricultural credit purposes; to the Committee on Agriculture.

By Mr. BULWINKLE: A bill (H. R. 7443) to authorize an appropriation to provide additional hospital, domiciliary, and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. BLANTON: A bill (H. R. 7444) to abolish police trial boards in the District of Columbia, to establish a discipline board for the investigation of the conduct of officers and members of the Metropolitan police force, and to provide for their suspension and removal, to amend and repeal certain laws relating thereto, and for other purposes; to the Committee on the District of Columbia.

By Mr. TABER: A bill (H. R. 7445) to amend the disabled emergency officers' retirement act of May 24, 1928, (45 Stat. 735; U. S. C. Supp. —, title 38, ch. 10A); to the Committee on World Veterans' Legislation.

By Mr. HILL of Washington: A bill (H. R. 7446) to provide for the construction, operation, and maintenance of the Columbia Basin project in Washington, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. DISNEY: A bill (H. R. 7447) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States, approved February 6, 1921 (41 Stat. 1097); to the Committee on Indian Affairs.

By Mr. LEWIS: A bill (H. R. 7448) giving the protection of the law to the worker's right to work and guaranteeing him an equal share of the employment available; forming trade associations for industries and their employees doing an interstate business, in order to enable such industries to stabilize business and to provide certain benefits for their employees—to wit (a) life and disability insurance, (b) workmen's accident compensation, (c) workmen's pensions, (d) unemployment insurance—and imposing certain excise taxes; to the Committee on Ways and Means.

By Mr. SIROVICH: Resolution (H. Res. 100) appointing a commission of seven to inquire into the subject of old-age dependency in the United States, and proper method of its relief, and to report back its findings within one year; to the Committee on Rules.

By Mr. POU: Resolution (H. Res. 101) providing for the consideration of House Joint Resolution 163 to provide an appropriation for the expenses of participation by the United States in a general disarmament conference to be held in Geneva in 1932; to the Committee on Rules.

By Mr. HARLAN: Joint resolution (H. J. Res. 196) proposing an amendment to the Constitution of the United States vesting certain power in Congress to regulate intoxicating liquors and repealing the eighteenth amendment to the said Constitution; to the Committee on the Judiciary.

By Mr. LUDLOW: Joint resolution (H. J. Res. 197) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DOUGLAS of Arizona: Joint resolution (H. J. Res. 198) to authorize a flood-control investigation by the American section, International Boundary Commission, United States and Mexico, in cooperation with the Mexican section, and authorizing the construction of flood-control works; to the Committee on Foreign Relations.

By Mr. McKEOWN: Joint resolution (H. J. Res. 199) requesting the President of the United States to call an intergovernmental conference or conferences to prevent the debasing and sale of silver by governments, and on bimetalism, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LOVETTE: Joint resolution (H. J. Res. 200) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to author-

ize the letting of the Muscle Shoals properties under certain conditions, and for other purposes; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial to enact an appropriate legislation to cure present abuses in the Federal land-bank system; to the Committee on Banking and Currency.

Memorial to build and maintain a road from Kingman, Mohave County, Ariz., to the Hoover Dam; to the Committee on Irrigation and Reclamation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 7449) for the relief of the heirs of Jacob D. Hanson; to the Committee on Claims.

By Mr. BALDRIDGE: A bill (H. R. 7450) authorizing the Treasurer of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasurer; to the Committee on Claims.

Also, a bill (H. R. 7451) for the relief of John Herink; to the Committee on Claims.

Also, a bill (H. R. 7452) granting a pension to Eudora Elkins; to the Committee on Invalid Pensions.

By Mr. BEERS: A bill (H. R. 7453) granting an increase of pension to Martha R. Valentine; to the Committee on Invalid Pensions.

By Mr. BOYLAN: A bill (H. R. 7454) for the relief of Marguerite Ciscoe; to the Committee on Claims.

By Mr. BRAND of Ohio: A bill (H. R. 7455) to authorize the presentation of the medal of honor to John C. Reynolds; to the Committee on Military Affairs.

By Mr. BULWINKLE: A bill (H. R. 7456) for the relief of James McKinney; to the Committee on Military Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 7457) for the relief of Albert Henry; to the Committee on Military Affairs.

By Mr. CULKIN: A bill (H. R. 7458) granting a pension to Mrs. Edwin Crandall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7459) granting an increase of pension to Frances M. Cooley; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 7460) granting an increase of pension to Lewis Owens; to the Committee on Pensions.

By Mr. FISH: A bill (H. R. 7461) for the relief of John Jay Ide; to the Committee on Foreign Affairs.

By Mr. GARNER: A bill (H. R. 7462) granting a pension to William S. Wall; to the Committee on Pensions.

By Mr. HARLAN: A bill (H. R. 7463) granting an increase of pension to Lavina E. Toby; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 7464) granting a pension to William F. Stevens; to the Committee on Pensions.

By Mr. HOPKINS: A bill (H. R. 7465) granting a pension to Mariah E. Groom; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7466) granting an increase of pension to Mary E. Grace; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7467) granting a pension to Nannie Blades; to the Committee on Invalid Pensions.

By Mr. HORNOR: A bill (H. R. 7468) for the relief of Clarence G. Stonestreet; to the Committee on Military Affairs.

By Mr. JOHNSON of Texas: A bill (H. R. 7469) for the relief of Arthur N. Ashmore; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 7470) for the relief of John J. Delaney; to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H. R. 7471) granting a pension to John Andrew McDonald; to the Committee on Pensions.

Also, a bill (H. R. 7472) granting a pension to Jennie Springstead; to the Committee on Pensions.

By Mr. LEWIS: A bill (H. R. 7473) for the relief of James T. Webster and Mary A. Webster; to the Committee on Claims.

By Mr. MAJOR: A bill (H. R. 7474) granting an increase of pension to A. Isabell Williams; to the Committee on Invalid Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 7475) granting a pension to Joel T. Pardue; to the Committee on Invalid Pensions.

By Mr. PARKER of Georgia: A bill (H. R. 7476) granting retirement annuity or pension to Hiram Elliott; to the Committee on the Civil Service.

By Mr. PURNELL: A bill (H. R. 7477) granting an increase of pension to Gertrude M. Finney; to the Committee on Pensions.

By Mr. SOMERS of New York: A bill (H. R. 7478) to change the military record of Harry Lewis; to the Committee on Military Affairs.

By Mr. SPENCE: A bill (H. R. 7479) for the relief of William McCormack; to the Committee on Military Affairs.

By Mr. STALKER: A bill (H. R. 7480) granting an increase of pension to Cornelia M. Perry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7481) granting an increase of pension to Sadie M. Correll; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7482) granting an increase of pension to Mary Krener; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7483) granting an increase of pension to Charlotte A. Castimore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7484) granting a pension to Edward Burg; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7485) granting a pension to Luticia C. Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7486) granting a pension to Mary A. Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7487) for the relief of Elijah Wilson; to the Committee on Military Affairs.

Also, a bill (H. R. 7488) granting an increase of pension to James L. Phillips; to the Committee on Pensions.

Also, a bill (H. R. 7489) granting a pension to Millard Sevier Acuff; to the Committee on Pensions.

Also, a bill (H. R. 7490) granting a pension to Josie Cox; to the Committee on Pensions.

Also, a bill (H. R. 7491) for the relief of Creed F. Casteel; to the Committee on Military Affairs.

Also, a bill (H. R. 7492) for the relief of Henry B. Jones; to the Committee on Military Affairs.

Also, a bill (H. R. 7493) granting a pension to Lakey Romines; to the Committee on Pensions.

Also, a bill (H. R. 7494) granting a pension to Martin T. Atkins; to the Committee on Pensions.

By Mr. THURSTON: A bill (H. R. 7495) granting a pension to George Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7496) granting an increase of pension to Clara Herr; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN: A bill (H. R. 7497) granting an increase of pension to Sara H. Morrison; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

337. By Mr. CHRISTOPHERSON: Petition of the Yankton (S. Dak.) Chamber of Commerce, urging construction of the Great Lakes-St. Lawrence seaway and completion of Mississippi and Missouri River improvement projects; to the Committee on Rivers and Harbors.

338. Also, petition of the Yankton (S. Dak.) Chamber of Commerce, urging a moratorium on politics and the passage of constructive legislation; to the Committee on Ways and Means.

339. By Mr. HILL of Washington: Petition of Mrs. B. S. Vincent and 38 other residents of Spokane, Wash., opposing resubmission to the people of the prohibition question or of

any bill to weaken the prohibition law; to the Committee on the Judiciary.

340. Also, petition of Mrs. R. H. Hutchinson and 11 other residents of Spokane, Wash., opposing resubmission to the people of the prohibition question or of any bill to weaken the prohibition law; to the Committee on the Judiciary.

341. My Mr. JOHNSON of Texas: Petition of Texas Federation of Women's Clubs, opposing repeal of the agricultural marketing act; to the Committee on Agriculture.

342. By Mr. PERSON: Petition of citizens of Detroit, Mich., favoring the enactment of legislation to curb the activities of the chain-store system; to the Committee on the Judiciary.

343. Also, resolution of Michigan Real Estate Association, indorsing the principle of creating a central mortgage bank or like agency to rediscount mortgages; to the Committee on Banking and Currency.

344. By Mr. RUDD: Petition of A. P. Babcock Co., perfumers, New York City, opposing the passage of the LA GUARDIA bill (H. R. 4605) providing for an excise tax of 10 per cent on toilet articles; to the Committee on Ways and Means.

345. By Mr. SANDERS of Texas: Petition of T. L. Hurlburt and numerous other citizens of Kemp, Tex., urging support of bills providing for payment of balance of certificates to veterans and pensions for World War widows; to the Committee on Ways and Means.

SENATE

TUESDAY, JANUARY 12, 1932

(Legislative day of Thursday, January 7, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kean	Robinson, Ind.
Austin	Dale	Kendrick	Sheppard
Bailey	Davis	Keyes	Shortridge
Barbour	Dickinson	King	Smith
Barkley	Dill	La Follette	Smoot
Bingham	Fletcher	Lewis	Steiwer
Black	Frazier	Logan	Swanson
Blaine	George	McGill	Thomas, Idaho
Borah	Glass	McKellar	Thomas, Okla.
Bratton	Glenn	McNary	Trammell
Brookhart	Goldsborough	Metcalf	Tydings
Bulkley	Gore	Morrison	Vandenberg
Bulow	Hale	Moses	Wagner
Byrnes	Harris	Neely	Walcott
Capper	Harrison	Norbeck	Walsh, Mass.
Caraway	Hastings	Norris	Walsh, Mont.
Carey	Hatfield	Nye	Watson
Connally	Hayden	Oddie	Wheeler
Coolidge	Hebert	Patterson	White
Copeland	Howell	Pittman	
Costigan	Hull	Reed	
Couzens	Jones	Robinson, Ark.	

Mr. BLACK. I desire to announce that my colleague the junior Senator from Alabama [Mr. BANKHEAD] is necessarily detained from the Senate on official business. I ask that this announcement may stand for the day.

Mr. HASTINGS. I wish to announce that my colleague the junior Senator from Delaware [Mr. TOWNSEND] is necessarily absent. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

BOARD OF VISITORS TO NAVAL ACADEMY

The VICE PRESIDENT. Pursuant to the provisions of law, the Chair appoints as members, on the part of the Senate, of the Board of Visitors to the United States Naval Academy for the year 1932, the junior Senator from Nevada [Mr. ODDIE], the junior Senator from New Hampshire [Mr. KEYES], the senior Senator from South Carolina [Mr. SMITH], and the junior Senator from Kansas [Mr. MCGILL].